FBIS DAILY REPORT

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ALFONSIN ENDORSES MEXICAN-VENEZUELAN DECLARATION

PY022057 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1225 GMT 2 Feb 86

["Text" of communique "bearing President Raul Alfonsin's signature" issued by the Argentine Government in Buenos Aires on 1 February]

[Text] Buenos Aires, 2 Feb (NA) -- The president of the Republic of Argentina, Raul Alfonsin, hereby conveys his solidarity and agreement with the joint declaration signed by the presidents of Venezuela, Jaime Lusinchi, and of Mexico, Miguel de la Madrid Hurtado, in which they expressed their deep concern over the effects the sharp drop in oil prices will have on oil-exporting debtor countries and demanded that urgent, effective, international measures be taken to normalize and to stabilize the world's financial and commercial operations.

What has happened in recent weeks to oil prices has added to what has been happening for a couple of years on the international agricultural market, where the prices paid for these products have dropped to an all-time low. As long as this unprecedented punishment is dealt to us through our export prices, as long as protectionist actions and restrictive measures prevail on the markets of developed countries, and as long as real interest rates remain high on the international market, all internal efforts will be insufficient to solve the situation of debtor countries, to preserve peace and tranquility in our region, and to promote Latin American prosperity. Consequently, the Argentine Government endorses the proposal that a meeting of the Consensus of Cartagena be urgently held to study the effects of this new crisis on the various Latin American debtor countries and to take the necessary joint measures to face it.

SCHEDULES ADJUSTED FOR NUCLEAR PROJECTS

PY012208 Buenos Aires CLARIN in Spanish 31 Jan 86 p 14

[Text] During a meeting yesterday, President Raul Alfonsin and National Commission for Atomic Energy (CNEA) President Alberto Constantini reviewed the budgetary problems of the Atucha II and theheavy water projects and the beginning of work of the cobalt capsule plant. After a meeting, which was held at Government House, Constantini said: "The progress of the two projects has returned to normal, qualified personnel are being rehired, and the projects' timetables are being rescheduled in order to proceed normally."

In a statement distributed to the press shortly after his meeting with Alfonsin, Constantini stated that he asked the president to make an "exception" concerning the public administration hiring freeze, "in view of the need to hire people to start training them for the operation of the heavy water plant, which will be concluded in late 1987." Constantini explained that "I have also asked for exception from regulations forcing some people to retire from the grades not enjoying special treatment." In this regard, Constantini told Alfonsin: "We are part of a very unfair system. We neither belong to the presidential system nor to the national public administration system. We belong to a private system for autonomous agencies operating under the old law No. 43749 which means that the people retiring today only collect 45 percent of the current retirement pay."

GOVERNMENT GRANTS GARCIA MEZA GUARANTEES

PY302339 Paris AFP in Spanish 1427 GMT 30 Jan 86

[Text] La Paz, 30 Jan (AFP) -- Julio Garret Ayllon, vice president of the nation and president of Congress -- which will try General Luis Garcia Meza, the de-facto president between 1980 and 1981 -- reported here today that the Bolivian Government of Victor Paz Estenssoro has granted the former president guarantees for his personal defense during the trial proceedings. Garret revealed that Interior Minister Fernando Barthelemy had told him that the former president could fully carry out his defense in Congress when facing the charges that have been made against him. On two previous occasions Congress did not achieve a quorum due to the absence of congressmen belonging to the government party, the Nationalist Revolutionary Movement (MNR) and to the Nationalist Democratic Action Party (ADN). Garcia Meza has been charged with defrauding the state, drug trafficking, the murder of socialist deputy Marcelo Quiroga Santa Cruz and eight leaders of the Movement of the Revolutionary Left (MIR).

Obstruction Charges Denied

PY311511 La Paz Cadena Panamericana in Spanish 1130 GMT 31 Jan 86

[Text] Information Minister Herman Antelo has stated that charges by some opposition parties that there is a pact between the Nationalist Revolutionary Movement and the Nationalist Democratic Action, with the aim of obstructing the trial of General Luis Garcia Meza, are completely groundless. Antelo said that President Victor Paz Estenssoro himself had given him instructions by some political groups and communications media regarding this subject. The president and the government are particularly interested in holding the trial to totally clear the case, the information minister said. Regarding the lack of a quorum at the Congress session on 29 January, Antelo said that this is nothing strange in congressional history, in this or any other country.

INTERIOR MINISTER DISCUSSES COCA ERADICATION

PY031828 La Paz Cadena Panamericana in Spanish 1700 GMT 3 Feb 86

[Excerpt] Interior Minister Fernando Barthelemy has told Radio Panamericana that the activities to eradicate coca cultivation are being carried out normally according to plan.
[Begin recording] [Barthelemy] This program is moving ahead according to our plans, neither faster nor slower than we planned.
[Unidentified reporter] Have you received any response from the working class to this plan?
[Barthelemy] You mean a response from peasants?
[Reporter] Yes.
[Barthelemy] Obviously the response is positive because even a small sector that resisted the idea of voluntary reduction has already joined the program and has fully agreed to join the voluntary reduction program. [end recording]
Reporters asked the minister more questions about the eradication of coca and how many hectares have already been surveyed.
[Begin recording] [Barthelemy] I believe I am not wrong in saying that about 680 hectares have been surveyed, out of which about 80 hectares are being eradicated.
[Unidentified reporter] How many hectares have not yet been eradicated?
[Barthelemy] I do not know exactly because I do not have the daily report. The eradication began last week. [end recording]

INDUSTRY, COMMERCE MINISTER TENDERS RESIGNATION

PY040236 Sao Paulo Radio Bandeirantes Network in Portuguese 0130 GMT 4 Feb 86

[Text] President Jose Sarney today received the resignation letter tendered by Industry and Commerce Minister Roberto Gusmao, who leaves his post criticizing other ministers. Gusmao has charged Finance Minister Dilson Funaro with turning his ministry into a dangerous super-dinosaur because he wants to make the decisions regarding all the main economic issues. Administration Minister Aluizio Alves was charged with spending his time talking about cars and garages, instead of changing the absolutist, centralizing, and narrow-minded administrative apparatus.

SARNEY DISCUSSES ANTI-INFLATION MEASURES

PY311528 Brasilia Radio Nacional da Amazonia in Portuguese 0900 GMT 31 Jan 86

[Text] Today, during his weekly message "By the Radio," President Jose Sarney said that it is not possible to live with or to accept a 16.2 percent inflation rate like the one registered during January. The president said that his government will continue to reject the bitter medicine of an economic recession.

[Begin Sarney recording] Recession, as the media likes to call it, is a dragon with several heads that causes shortages, the disappearance of salary increases, and increases the number of speculators. Inflation always jeopardizes the development, social justice, and democratization projects that the government is carrying out with great effort. We must knock this inflation rate down. Many believe that the only answer is the bitter medicine called recession, which necessarily entails unemployment, hunger, bankruptcy, and rebellion against democratic governments.

Brazil took another path, it made another choice. The government is reducing its expenditures as much as possible. It is drastically cutting new projects. The government does not accept imposing on the people the sacrifice which recession entails and which brings hunger and unemployment. We are going to do our utmost to confront this serious problem. [end recording]

President Sarney does not believe that the economic recession represents a political alternative for the government in keeping with the commitments undertaken by the Democratic Alliance. Sarney mentioned as an example the reduction of the high [word indistinct] social deficit accumulated during the past 20 years. The president went on to list the measures taken by the Finance Ministry in order to curb inflation. Among them, he noted the freezing of prices of some agricultural products and the importation of foodstuffs. President Sarney ended by stating that he hopes to have the cooperation of all the people to curb the exaggerated price increase.

BUDGET REAFFIRMED; NORTHEAST IRRIGATION LAUNCHED

PY310036 Brasilia Radio Nacional da Amazonia in Portuguese 0900 GMT 30 Jan 86

[Excerpt] The federal budget has to be executed without any exceptions. This order was given to Finance Minister Dilson Funaro and Planning Minister Joao Sayad by President Jose Sarney who told them not to give a cent more than what is apportioned in the budget for the states and municipalities. This directive was not well received by some governors who attended the ceremony launching the Northeast irrigation program. The president said that the government would like to meet the needs of everyone, but cannot. This must be understood and accepted.

Over a 5-year period, the Northeast will receive investments woth $4.3 billion, more than 51 trillion cruzeiros at today's rates. The objective is to provide assistance to the rural sector of that region by implementing the first National Development Plan of the New Republic. President Sarney signed a decree instituting the FINOR [Northeast Investments Fund] for food and the Northeast irrigation programs. He then said that these programs will change the Northeast and, consequently Brazil, since that region is the country's poorest.

SPACE RESEARCH OFFICIAL ASSESSES CHALLENGER LOSS

PY311116 Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 Jan 86 p 21

[Text] Sao Jose dos Campos -- Major General Hugo de Oliveira Piva, 58 years old, director of the Aerospace Technology Center (CTA) in Sao Jose does Campos, 89 km northeast of Sao Paulo, has said that the Challenger accident will not affect the Brazilian space research program. Piva said that: "We have been carrying out research with rockets purchased abroad for the past 21 years. We have just made great progress in the field of advanced technology with the Sonda-4 rocket. It would be unreasonable to believe that an accident suffered by a U.S. space shuttle may set our country back, especially in a field in which we are making steady progress."

Piva expressed surprise about the space shuttle explosion because, he said, "from a pessimistic point of view, that is, taking into account all the possible problems with such a sophisticated project, the Challenger was more than 98 percent reliable." Piva said it is quite unlikely that the explosion was caused by defects in the two "boosters" [in English] or in the fuel tanks filled with solid fuels (polybutadiene, ammonia perchlorate, aluminum powder, plasticizers, and catalysts) because of the highly reliable material used. The CTA director asserted that "it is possible that the problem started in the large tank filled with liquid hydrogen and oxygen, although it is difficult to voice an opinion from a distance."

There are 600 professionals working in the Brazilian space research program. Among these 600 are 200 engineers and 20 Air Force officers who are also engineers. They are developing the Sonda-4 project -- the third of the five scheduled launchings of this rocket will take place in December 1986 -- as well as the Satellite Launcher Vehicle, VSL, a project that should be ready to fly in 1989. Regarding the cost of the projects currently underway, the CTA director asserted that "it is very difficult to give any figures, even approximate, but it is easy to add up the benefits the projects are yielding. One piece of equipment used in the space program to manufacture high precision metal tubes is used industrially and allows the country to save $1 million per month, which, of course, is much less than we are spending."

IMMIGRANTS LEAVE PARAGUAY AFTER DROUGHT

PY031732 Brasilia Radio Nacional de Amazonia Network in Portuguese 0900 GMT 3 Feb 86

[Text] As of this week, 2,700 families of Brasiguaios [name given to Brazilian immigrants in Paraguay] will begin returning to Brazil. They did agricultural work in the Paraguayan localities of Paloma, Saltos del Guaira, [name indistinct], and Corpus Christi, but the drought destroyed the crops and left the Brasiguaios unemployed and without food. Their only solution is to return home.

OFFICIAL DENIES CHILEAN SHIPS SUPPLY CONTRAS

PY031830 Santiago Domestic Service in Spanish 1630 GMT 3 Feb 86

[Excerpt] Foreign Ministry spokesman Pablo Valdes has denied a report that Chilean flag ships are carrying weapons for the rebels operating on the Nicaraguan borders. Valdes said that the report gave no details and that no comment will be made on the subject. The Nicaraguan defense minister had charged that a Chilean flag ship manned by a Uruguayan crew was heading for Costa Rica, carrying arms for the rebels on the Nicaraguan borders.

[Begin Valdes recording] The news agency that carried the report should learn more details in Managua. The information is so vague that we will not make any comment on it. You know, in case the report is true -- something we doubt -- was it a merchant ship sailing under the Chilean flag? The report said it had a Uruguayan crew. Was it a rented ship? We would like to know more details. At this time we can make no other comments. [end recording]

TALKS ON TERRORISM HELD WITH ARGENTINA

PY311456 Santiago Domestic Service in Spanish 2200 GMT 30 Jan 86

[Relay from Foreign Ministry by reporter Alejandro Urbina]

[Text] Good afternoon. Regarding a matter of concern for the Chilean Government, the Chilean ambassador in Argentina has held a meeting with the Argentine foreign minister. The discussion centered on the problems and fears concerning terrorism, which were reported by Argentine officials. Concerning this matter, the Foreign Ministry this afternoon released the following official communique:

As reported a few days ago, Chilean Ambassador to Argentina Arturo Fontaine asked the interior minister of that country, Mr Antonio Troccoli, for a meeting. It is appropriate to note that in the absence of Foreign Minister Caputo, Minister Troccoli is also acting as Foreign Minister. The meeting took place yesterday in Buenos Aires. During the talks, viewpoints were exchanged on bilateral relations, including the concern expressed by the Argentine minister himself regarding terrorism and the need to prevent it from spreading.

The talks were held in a very positive atmosphere in which great frankness and cordiality prevailed, both sides expressing the willingness of their respective governments to strengthen and expand the relationship between the two nations.

FARC, GOVERNMENT END MEETING IN LA URIBE

PA041443 Bogota Television Service in Spanish 0100 GMT 3 Feb 86

[Text] In La Uribe, another meeting between the Peace Commission and the FARC [Revolutionary Armed Forces of Columbia] high command has ended. Great progress was made regarding the deactivation of some guerrilla fronts and toward a truce.

[Begin recording] [Unidentified reporter] The national government and the FARC made progress in the discussion of an eventual extension of the truce, but the bases of the agreement after 2 days of talks in La Uribe, Meta, were not revealed. Doctor Aguedel Agudelo Rios [Peace Commission president], the Peace Commission has again met in La Uribe with the FAR high command. What were your basic conclusions?

[Agudelo Rios] We really made progress at this meeting.

[Reporter] What are you basically seeking through these meetings?

[Agudelo Rios] To defer the La Uribe agreement, eliminate the defects it may have, and add new solutions that will hasten the peace process.

[Reporter] Meanwhile, the FARC presented a counterproposal aimed at strengthening the peace progress. The proposal was read by General Jose Joaquin Batallana, retired, a member of the Peace Commission.

[Batallana] While insisting on the lifting of the state of siege, the FARC is collaborating with the effort to restore normalcy throughout the entire country, or at least in the regions where they are present, in order to make this measure easier for the government to implement as soon as possible. [end recording]

Despite so many announcements of the FARC's willingness to enter a decisive phase and consolidate the peace process, armed actions continue in Cauca. The so-called National Guerrilla Coordinating Board formed by the M-19 [19 April Movement] and Quintin Lame ambushed an Army patrol near Popayan. Six soldiers were wounded and four killed. Tonight one of them was transferred to the military hospital in Bogota.

GUERRILLAS, POLICE BATTLE IN NORTHERN CAUCA TOWN

PA031628 Bogota Emisoras Caracol Network in Spanish 1215 GMT 3 Feb 86

[Excerpt] Popayan -- This morning a guerrilla group seized the town of Morales, Cauca Department. The group harassed the population and later clashed with 20 policemen. Police sources have reported that clashes are currently taking place near Morales, a town in northern Cauca Department. The sources said that the guerrillas have not occupied Morales but there are clashes in the area. The attack on Morales took place 24 hours after the ambush on a military patrol on the Pan American Highway between Santander de Quilichao and Piendamo, where at least 4 soldiers died and 10 others were wounded. Prior to this, the guerrillas attacked public and private vehicles near Inza, also in El Cauca, and stole more than 3 million pesos. The authorities decided [words indisinct] the latest events in Cauca. The Army decided to send special units to the northern region of Cauca to repel subversive attacks.

There is currently heavy fighting in the hilly area of Morales municipality. At approximately 0430 this morning, a column of a subversive group of the National Guerrilla Coordinating Board [Coordinadora Nacional de Guerrillas] seized the town of Morales, in the northwest region of Cauca Department. Approximately 20 police agents repelled the attack carried out by 200 men who seized the Agrarian Institute Bank. Many police and Army units have been sent to Morales to pursue the guerrillas who seized the town. The guerrillas cut the electricity service and are now facing police patrols. The revels seized the telecommunications enterprise. It was reported that the streets of Morales are empty.

STATE OF SIEGE TO CONTINUE THROUGH ELECTIONS

PA310503 Bogota Television Service in Spanish 1730 GMT 30 Jan 86

[Text] The state of siege will not be lifted before the parliamentary and presidential elections in March and May, respectively, Government Minister Jaime Castro announced today. The official said that electoral registration has increased in the past few days.

[Begin recording] [Castro] We have been touring the departments to verify the pre-electoral situation in these territorial entities. Thus far, we have visited 8 capitals and we hope to end our tour within the next few days after visiting the remaining 15 capitals. As a result of these visits and other reports we have received, there is no doubt whatsoever that the elections will be carried out in the entire country and, furthermore, that they will be carried out under totally normal conditions and within a climate of the greatest guarantees.

[Unidentified reporter] Mr Minister, when you say normalcy and guarantees, is there any hope that the state of siege will be lifted for the elections?

[Castro] The fact that there is a state of siege does not in any way mean that elections will not take place within a climate of normalcy. This has happened on previous occasions. Furthermore, I must remind you that Article 121 has not been used and will not be used to interfere, regulate, or guide the political process. There is not one single state of siege law in existence that has any relation to the electoral process.

[Reporter] What reports do you have regarding the registration of identification cards for electoral movement?

[Castro] By 27 January, comparing what had been done by that date in 1982 and 1984, we find that registration and zoning [inscripcion y zonificacion] has increased by 70 percent, a little more than 70 percent. This is not due to mere vegetative growth, it demonstrates that Colombians, will take full advantage of the opportunities offered by democracy to decide their own future and to intervene with real power in the decision-making process regarding the public issues they are interested in because they have an effect on their individual and collective lives. [end recording]

OIL PRICE WEAKENS; PRODUCTION TO INCREASE

PA312158 Paris AFP in Spanish 1925 GMT 31 Jan 86

[Text] Quito, 31 Jan (AFP) -- Ecuador, an OPEC member, has officially announced that it will market its crude oil on the basis of the Alaska petroleum price, thus leaving the official price of $26.15 ineffective. Energy and Mines Minister Xavier Espinosa said that the measure is aimed at "neutralizing the effects" of the drop in prices.

Ecuador plans to increase its production to approximately 300,000 barrels in order to overcome the crisis that affects its fiscal situation. In the past, Ecuador produced approximately 185,000 barrels. According to official estimates, for each $1 drop, in price Ecuador, loses $60 million. Half of that revenue went into the national treasury and the rest went to approximately 43 institutions that share that revenue.

Minister Espinosa said that "the petroleum market remains difficult" because Britain has not reached an agreement with OPEC and, in reprisal, Saudi Arabia will place an additional 2 million barrels a day on the market. Espinosa indicated that the average price for the Ecuadoran crude in January was $22 a barrel, but that effective tomorrow, 1 February, a greater drop is expected forcing prices down to $19.

FEBRES THREATENS PHARMACEUTICAL LABORATORIES

PA020139 Madrid EFE in Spanish 2337 GMT 1 Feb 86

[Text] Guayaquil, 1 Feb (EFE) -- Ecuadoran President Leon Febres Cordero has announced here that drastic measures will be taken against international pharmaceutical laboratories, which he described as "the bloodsuckers of the Ecuadoran people." The local press published today some statements by Febres Cordero in which he admits there is a problem with the supply and prices of medicine, which he has been "enduring from the beginning of his administration because the laboratories do not want to understand that medicine is a necessity of the people."

The Ecuadoran president said that on 10 February he will authorize the government to purchase all the medicine the country needs in order to sell it directly to the people. In conclusion, he warned the laboratories that he will use the full weight of the law "with things worse than going to jail," he emphasized.

EXPLOSIONS CAUSE BLACKOUT IN DOWNTOWN LIMA

PY031113 Paris AFP in Spanish 1055 GMT 3 Feb 86

[Text] Lima, 6 Feb (AFP) -- Officials have reported that a series of explosions, which began at 0535 (0935 GMT) today, left the Peruvian capital's 6 million inhabitants in darkness. Police sources said dynamite attacks were carried out against high-tension pylons of the electrical network and that security measures were reinforced in downtown Lima, where the area around Government Palace is in darkness.

40 Bombs Detonated

PY031618 Paris AFP in Spanish 1552 GMT 3 Feb 86

[Text] Lima, 3 Feb (AFP) -- Shining Path terrorist commando groups today caused a widespread blackout in Lima and launched a wave of 40 bomb attacks against political offices, banks, high-tension pylons, government offices, and other targets, the Peruvian police have reported. Three attacks against offices of the ruling American Popular Revolutionary Alliance (APRA), and other attacks on eight bank offices, at least three high-tension pylons, the San Jorge Prison, and the Fisheries Control Office, have left a toll of three people injured and heavy damage, according to a report by government officials.

FIRM STANCE MAINTAINED ON FOREIGN DEBT ISSUE

Legislators Reject 'Warning'

PY311700 Madrid EFE in Spanish 0447 GMT 31 Jan 86

[Text] Lima, 31 Jan (EFE) -- The U.S. warning that Peru could remain outside the international monetary market because of its position on the foreign debt problem was termed in Lima today a "threat" by Washington and was "rejected" by spokesmen of the Peruvian Congress and economic sector. The wraning, made by a high-ranking U.S. official to eight Peruvian legislators who visited Washington, refers to a decision by President Alan Garcia's government to pay its foreign debt, which amounts to more than $13 billion, with only 10 percent of its export earnings.

Justo Debarbieri, first secretary of the Senate, said that the country "more than ever is united in view of these threats," which he hopes will not materialize. Leftist Senator Genaro Ledesman voiced "indignation over the new IMF threat," and added that "the Peruvian people are united now and they will support the government" in its decision regarding the payment of the foreign debt. Independent Deputy Enrique Chirinos commented that there are sectors within the U.S. Government "that still do not understand that our countries definitely cannot pay their debt under the terms they demand."

Herless Buzzio, manager of the National Confederation of Merchants (CONACO), said that it was "another maneuver of the U.S. Government seeking to discredit President Alan Garcia's nationalist, democratic, and popular regime in the international sphere," and rejected the warning. Gonzalo Garland, president of the Exporters Association, said that Peru should not be threatened like this because "we have the capacity to pay our debt with the export of traditional and non-traditional goods."

Senator on 'Blackmail'

PY011420 Lima Radioprogramas del Peru in Spanish 1140 GMT 1 Feb 86

[Excerpt] Upon his return from Honduras, Senator Carlos Enrique Melgar said that Peru will not accept the blackmail of U.S. financial circles to isolate the country from the IMF if it does not pay its foreign debt punctually. Senator Melgar, president of the Senate Foreign Affairs Commission, also announced that President Alan Garcia will visit Panama in late February to discuss the foreign debt problem with his Panamanian counterpart. He added that international creditors should start becoming accustomed to the idea that neither Peru not Latin America will be able to honor its foreign debt.

Principal Payments Postponed

PY020059 Paris AFP in Spanish 2035 GMT 1 Feb 86

[Text] Lima, 1 Feb (AFP) -- The Peruvian Government announced today a 3-month postponement of principal repayments due 31 January 1986 on its medium- and long-term public foreign debt. A decree published today states that the maturity dates for the debt, as well as the ones for loans contracted by the commercial banks before 31 July 1985 which are not guaranteed by foreign governments or official agencies, will be extended until 2 May 1986. In addition, the maturity dates on debts carried by suppliers, which were transferred to commercial banks, will also be extended to expire on 2 May as far as capital payments are concerned.

The Peruvian Government of President Alan Garcia, who was inaugurated 28 July 1985, has expressed its decision to allocate only 10 percent of its export revenues to foreign debt payments. It also postponed payments on its foreign debt, totaling $1.4 billion [as received], until January 1986. Economy and Finance Ministry sources, quoted by the newspaper LA REPUBLICA, have stated that Peru has not received any loans since the last months of the former government of Fernando Belaunde. According to Central Reserve Bank (money issuer) sources, from July 1985 to January 1986 Peru has only made $194 million in payments on the interest accrued on its debt.

LIMA MAYOR LEAVES FOR HAVANA, NICARAGUA

PY031518 Paris AFP in Spanish 2124 GMT 2 Feb 86

[Text] Lima, 2 Feb (AFP) -- Lima Mayor Alfonso Barrantes and a congressional delegation of the United Left coalition today left for Havana to attend the 38th Congress of the Communist Party of Cuba. Barrantes will also undergo a medical checkup there. The congress will run from 4 to 6 February with the participation of delegations from several Latin American countries.

Before leaving, Barrantes said that from Havana he will leave for Managua to attend the anniversary or 10 February of the death of Nicaraguan hero Cesar Augusto Sandino. Barrantes also said that he will take advantage of his stay in Havana to undergo a medical checkup because he is suffering from a kidney ailment.

BRIEFS

INFLATION INCREASE -- The Peruvian National Statistics Institute has reported that the cost of living during January 1986 increased by 5.2 percent. [Summary] [Lima Panamericana Television Network in Spanish 0200 GMT 2 Feb 86 PY]

OIL FINANCE AGREEMENT REACHED WITH TRINIDAD

FL021650 Bridgetown CANA in English 1924 GMT 2 Feb 86

[Text] Caracas, Feb 2, CANA-REUTER -- Venezuela and neighboring Trinidad and Tobago today agreed to increase energy and financial cooperation in the face of the worsening oil crisis and world economic recession. A joint statement, issued at the end of a three-day visit by Trinidad's Foreign Minister Errol Mahabir, expressed concern at falling oil prices, growing trade protectionism and high levels of unemployment. The two governments will accordingly accelerate the execution of programmes and projects of economic, technical, scientific and cultural cooperation. They said a committee made up of representatives of both countries will meet in Port-of-Spain in June to discuss ways to carry out the agreement.

Mahabir said yesterday after meeting President Jaime Lusinchi that Trinidad is interested in refining up to 40,000 barrels per day of Venezuelan crude in its state-owned refinery. He said also that Trinidad Prime Minister George Chambers will visit Venezuela, possible in May.

Venezuela, a member of OPEC, exports 1.4 million barrels of oil per day and Trinidad and Tobago exports 1.4 million barrels of oil per day and Trinidad and Tobago exports the bulk of the 180,000 bpd it produces. Both depend heavily on the foreign exchange their oil sales produce. [Venezuelan Foreign Minister Simon Alberto] Consalvi and Mahabir also said at the end of their weekend meeting that a stabilization of oil prices is in the interest of all oil exporting nations, OPEC members or not. Trinidad is not a member of the organization of petroleum exporting countries (OPEC)?

The joint statement identified other areas of economic cooperation, including tourism, construction and hotel infra-structure, maritime transport and tax treaties. The two foreign ministers also discussed problems of fishing in territorial waters of the neighbouring countries, to take steps to ensure compliance with a fishing agreement signed last year. Last week, 30 Trinidadian fishermen were detained by the Venezuelan Coastguard for allegedly fishing in Venezuelan waters. Mahabir left today for Port-of-Spain.

FINANCE SECRETARY LINKS OIL PRICE, DEBT SERVICE

PA281359 Mexico City XHDF Television Network in Spanish 1955 GMT 27 Jan 86

[Report by Emilio Fernandez]

[Text] Today in London Jesus Silva Herzog, secretary of finance and public credit, said that drastic decreases in international oil prices could undermine Mexico's ability to meet financial commitments abroad, and that decreases in hydrocarbon prices could represent between $2.5 and $3 billion in lost revenues. Silva Herzog said it is impossible to subject the people to additional burdens. How can I explain, the secretary asked, to a society that has endured this adjustment process so remarkably that more sacrifices are needed to pay the highest interest rates in history? He said the limit of our responsibility to our creditors is set by our responsibility before the Mexican people.

Silva Herzog said that Latin America is experiencing a true emergency. If we do not act swiftly and wisely, we could be facing a period that could make the summer of 1982 seem calm. To avoid this kind of extreme economic emergency, Jesus Silva Herzog proposed three solutions: lower interest rates, additional markets for Latin American exports, and new financing. Antonio Ortiz Mena, the Mexican IDB president, was also present at the press conference which took place in the British capital. The two officials insisted that only a real and sustained economic growth will ensure the fulfillment of foreign debt commitments. As for the Baker Plan, which was proposed by the U.S. treasury secretary to resupply 10 underdeveloped countries with capital, the Mexican secretary said that he is encouraged by the project, but that it is insufficient. Silva Herzog said: The Baker Plan cannot reach its objective of obtaining greater growth when Latin America must at the same time spend a large sum to service its debt. He added that without growth, the debt problem will not disappear.

Meeting With Banks Cancelled

FL032246 Mexico City NOTIMEX in Spanish 2147 GMT 3 Feb 86

[Text] New York 3 Feb (NOTIMEX) -- Mexican Finance Secretary Jesus Silva Herzog has abruptly cancelled a meeting scheduled for tomorrow with a committee composed of the 13 banks which handle the Mexican foreign debt. This is the second time in 2 weeks that Silva Herzog has postponed his trip to New York. The reason was not disclosed but New York banking sources speculate that the Mexican financial official is waiting to have a clearer picture on the international oil situation before meeting with bankers. However, the Mexican Finance Secretariat's Foreign Credit Director Jose Angel Gurria is scheduled to meet with representatives of international banks. This meeting was said to be important. The agenda has not been disclosed but there are strong rumors that Mexico is about to announce, in the next few hours, a substantial reduction in payments on the interest of its foreign debt, which amounts to $96 billion.

ENERGY MINISTER REVIEWS CRUDE OIL MARKET

FL031520 Mexico City NOTIMEX in Spanish 0120 GMT 3 Feb 86

[Text] Mexico City, 2 Feb (NOTIMEX) -- Mexico intends to act calmly, in defense of its interests, to keep the present situation of the international oil market from deteriorating further and to continue with its firm conviction that the country is more than its oil or any other natural resource.

The preceding statements were made by Secretary of Energy, *Mines, and Parastatal Industry* Francisco Labastida Ochoa and Pemex Director Mario Ramon Beteta during an interview broadcast by Mexican television. Labastida Ochoa said he does not dare say that the present crisis will be resolved soon, so it is necessary to remain calm, to see what is going to happen, and take steps to keep the situation from deteriorating further. Referring to the steps that must be taken, Labastida Ochoa said it is necessary to make a constructive effort, produce more, conserve, create jobs, export to overcome the crisis, have faith, and realize that the nation is more than its oil. He said that oil is without a doubt an important resource for earning foreign exchange, but Mexico is much more than any one of its natural resources.

When he was asked why Mexico had dropped its crude oil price, he said that, if we want to sell more oil, our price must reflect the world market price because we do not want to flood the oil market. He said that we want to preserve our clients and protect our sales, and achieve a stable price that will be able to compete with foreign oil prices.

When he was asked why more oil is not sold abroad, he explained that to increase prices as other countries have done would lead to a rapid death, drive oil prices down, and worsen the oil crisis. When he was asked about Mexico joining OPEC, he said Mexico has great advantages, flexibility, and capability to act outside OPEC. We can make a greater contribution from outside, he said, because we have flexibility and are capable of taking action and of maintaining a dialogue, and are independent.

Labastida Ochoa said the country should help correct the disorder of the crude oil market by participating in discussions and dialogue with both member and nonmember nations and attempting to normalize the situation. He added that Mexico has enough oil to last well into the 21st century, that Mexico is rich in oil, and has sufficient oil resources to continue to be an oil exporter.

The director of Pemex said Pemex is in better shape now than it was years ago because it has had to take action to cope with an international crisis. Pemex, he said, is greater than it has ever been during its 48 years of life because it is strong and well structured, has healthy finances, a consolidated production and refining capacity, and is capable of continuing drilling activities so its activities will not be impeded in the short run.

With regard to the problems of the Cactus, Chiapas, Salina Cruz, and Oaxaca petrochemical installations in southern Mexico, and the Reynosa and Tamaulipas installations in the north, he said the problems were resolved some time ago, for which reason the supply of gas has not been interrupted. The Mexican official added that, in Mexico, we have been very wasteful of energy, because other countries use less than one unit of energy [as received]. He said that the more a country grows, the more energy it requires, and this is a tendency that other nations have managed to reverse.

BRIEFS

NEW AGRARIAN REFORM SECRETARY -- Mexico, 3 Feb (NOTIMEX) -- Today Mexican President Miguel de la Madrid appointed Rafael Rodriguez Barrera as new agrarian reform secretary. Rodriguez Barrera replaces Luis Martinez Villacana, who resigned the post to run for governor of the state of Michoacan for the PRI. [Excerpt] [Mexico City NOTIMEX in Spanish 2330 GMT 3 Feb 86 FL]

BELIZE

CENTRAL BANK REPORTS 3D QUARTER EARNINGS, DEFICIT

FL031647 Bridgetown CANA in English 2301 GMT 2 Feb 86

[Text] Belmopan, Belize, Feb 2, CANA -- Belize saw its visible trade deficit widen, but managed to clear its foreign debt arrears during the third quarter of last year, the central bank reported. One of the highlights of the period July-September was the improved performance of the major export crops bananas and citrus.

According to the bank, the visible trade gap widened by 9.4 million dollars (one Bel dollars 49 U.S. cents) to 27.4 million dollars on a seasonally adjusted basis in the third quarter of the year. A sharp dip in the terms of trade helps explain the deteriorations in the trade balance, the bank said in its latest report. External debt payment arrears were said to have been eliminated by the end of September. However, outstanding external public debt rose by U.S. four million dollars to U.S. 75 million dollars.

The net foreign reserves of the bank were boosted by 4.5 million dollars during the year, with the bank saying this was due largely to official capital inflows under the United States Agency for International Development (USAID) economic stabilisation fund and drawdowns on the International Monetary Fund (IMF) stand-by facility.

The citrus season came to a close in June and activities slowed down at both factories over the third quarter. Production of citrus concentrate for export increased by 43 per cent from the second quarter position of 221,000 gallons. Receipts on the other, increased by 51 per cent by 4.3 million dollars in the second quarter to 6.5 million dollars in the third quarter. The bank said the long term prospects for the citrus industry appear good, despite recent falls in the price of citrus on world markets, as negotiations have now been completed for the purchase of parcels of land by Coca Cola Food. It is expected that they will be utilising the land for the cultivation of citrus, the bank said.

Banana exports for the third quarter of 1985 stood at 135,193 boxes, for both first and second class bananas, which represents an increase of approximately 13 per cent in total export over the second quarter position of 119,000 boxes. Earnings, on the other hand, increased by 12 per cent from 1.4 million dollars in the second quarter to 1.6 million dollars in the third quarter. In contrast to 1984 revenue fell by five per cent. The price received for a box for first class bananas is 12.98 dollars while second class bananas fetched a price of 8.01 dollars per box.

The output of marine products for exports continued to increase. In the third quarter of 1984, output stood at 328,000 pounds compared with the corresponding 1985 quarter output of 399,971 pounds. This represents an increase of 21 per cent. Earnings, on the other hand, increased by 18 per cent from the 1984 third quarter position of 3.9 million dollars.

Lobster continued to account for the highest share of marine products export earnings. At 5.6 million dollars in the third quarter, this represents an increase of 19 per cent from the 1984 third quarter position of 4.7 million dollars.

Conch exports fell in the third quarter by 89 per cent to 24,400 pounds, compared with the same period in 1984, when exports of conch stood at 243,000 pounds. Earnings from such exports dropped from 1.0 million dollars in the 1984 third quarter to 0.1 million dollars in the third quarter of 1985.

All other marine products recorded a decrease in the 1985 third quarter compared with the same period of 1984.

The report said activity in the sugar belt of the country has been quiet since the close of the sugar crop year in June, 1985. The bank reported only one shipment, over the third quarter, of molasses and raw sugar -- to the United Kingdom and Venezuela. This brought the total export of raw sugar and molasses for the nine months to September 1985 to 72,064 long tons and 24,645 long tons respectively. The U.S. sugar quota for Belize has been reduced from 24,500 long tons in 1984/85 to 16,000 long tons in 1985/86. This will have a significant effect on sugar earnings for the coming season 1985/86.

The bank reported too that net domestic credit from the banking system to the public sector increased by 3.1 million dollars to 68.6 million dollars, while private sector borrowing fell off sharply. The bank said the central government's overall budget deficit continued to widen, adding that the deficit of 10.1 million dollars in the second fiscal quarter compares with a surplus of 1.4 million dollars in the same quarter of 1984.

A sharp increase in recurrent expenditure by central government compared with the second fiscal quarter of 1984 coupled with stagnant revenues is responsible for a 6.3 million dollar fall in the recurrent budget, the bank said.

COSTA RICA

MONGE ON PAST POLICIES, COUNTRY'S FUTURE

PA030210 San Jose Radio Impacto in Spanish 1632 GMT 31 Jan 86

[News conference by President Luis Alberto Monge at presidential palace in San Jose with unidentified journalists; broadcast in progress -- live]

[Excerpts] [Monge] ... Latin America and the Caribbean, as a country that enjoys full electoral freedom and holds elections regularly every 4 years. In the remaining countries, or at least in a vast majority of them, there are military regimes and rigged elections are held, or no elections are held at all. Now a process has begun during which most incumbent heads of state have been elected. I repeat: I think that, aside from the problems Central America is facing, and aside from the difficulties we have experienced in our relations with Nicaragua, we are currently enjoying one of the most democratically auspicious eras, in which democracy has blossomed in Latin America.

The government must act calmly and prudently because it is its obligation and because this is mandated by our Constitution and laws as well as prescribed or imposed by our country's traditions. Of course, our officials are obliged by the electoral code and our Constitution to be impartial and not to intervene, and they must act accordingly because they would otherwise violate a line of conduct we have firmly observed at the presidency. I will be glad to answer any questions you may have.

[Reporter] Mr President, now that your mandate is virtually over, do you feel that your goal of establishing greater social justice for Costa Ricans has been fulfilled?

[Monge] The most difficult part or chapter in the government's efforts from 1982 to date has been precisely that of assuaging the harm or damage done to Costa Ricans' income by the crisis.

I would say we can be proud of the considerable success we have achieve with our economic measures. However, we were not able to completely cure the lesions or damage that the labor sectors, the underprivileged sectors, and the low income sectors have suffered in our country.

I can say, nevertheless, that we have established the conditions for a new administration to step up the efforts in the direction of correcting injustice. Now that the process of impoverishment of our country has been curbed, it can undertake, with greater capacity and more resources, the task of solving the social problems of housing, land tenure, low income, unemployment, etc. I should say that we cannot feel satisfied with what we have been able to do in the struggle against poverty and social injustice, but we are indeed leaving the country in a better position to continue this struggle.

[Reporter] Mr President, what appeal would you make to Costa Ricans now that the elections for a new government are 48 hours away?

[Monge] Go to the polls. They must not fail to exercise this right we Costa Ricans fully enjoy. I would say that not voting would be a sin against our homeland and that a maximum effort must be made in the next few hours to fully restore calm in the minds of all Costa Ricans, particularly in the minds of our political leaders.

The various political parties have already accused each other, have exchanged words, sometimes angrily and heatedly. I feel that to keep a tone of overexcitement right up to the moment when the votes are to be cast is not healthy for the process. So, I appeal to the people to cast their votes so that we Costa Ricans can return to complete calm and full brotherhood. Let the number of votes cast say the last word.

[Reporter] Foreign Minister Gutierrez has asserted that if the next government eliminates neutrality, it will inevitably have to enter a process of militarization. What can you tell us about this?

[Monge] We do not wield our neutrality policy as a shield for our foreign policy. Consequently, we are frequently accused of being manipulated by the CIA. It has often been said that Costa Rica permits warlike actions from its territory. Those charges would perhaps be believed by people who do not accept our stance of neutrality. The aggressions suffered by Costa Rica would be in danger of being justified, at least in the eyes of some abroad. We already know that here we will never be able to justify aggressions against our country. Before other countries and international sectors, however, we would have to run the serious risk of organizing an army in order to repel by force of arms any attempts at aggression against our country.

[Reporter] Mr President, is Contadora buried? Do you think it is in agony? Can the organization be revived?

[Monge] Well, a special effort is being made to resuscitate it. We still cannot say whether we will succeed in this nor not. Anyway, efforts are being made in this direction. You have already been told that the group has again been convoked for a meeting in Panama City next week. We plan to attend because we still feel the great obstacle for Contadora that prevents it from successfully completing its effort and process is represented by Nicaragua's refusal to sign the peace document.

[Reporter] Mr President, you have just mentioned the situation of Contadora. For something to come to life again, it must be dead in the first place. Do you feel then that Contadora is dead?

[Monge] We can say that in November, when Nicaragua refused to sign the document, Contadora became completely paralyzed, if it did not die.

[Reporter] What effect has the foreign debt problem had in trying to solve some social problems?

[Monge] A terrible, terrible effect. For this reason, in one of my recent speeches -- I am not sure if it was during the electoral campaign -- I invited the two parties that stand the best chance of winning the presidential elections not to wait until May to resume negotiations with our creditors. I feel the sacrifice we have made so the international financial community can respect us and consider us honorable clients is very great. Almost all the foreign aid we have received has had to be alloted to pay interest on the foreign debt. I have invited the parties, the public, and the people at large to support the efforts in this direction right after the elections, without waiting for the new administration to be installed.

[Reporter] Don Luis, do you feel the country has increased its debt in the past 3 years and 8 months as a result of the crisis itself or has the level of indebtedness remained the same?

[Monge] We have been able to acquire only soft loans. We have not been able to acquire more debts because the commitments made to the IMF banned us from acquiring short-term, high interest loans such as those that led us to such a huge $3 billion debt, the size of the debt when we took over in May 1982.

Therefore, the debt did increase. But it involves long-term, low-interest loans with years of grace to start their amortization. We also received large amounts that are not even debts but gifts. We received many donations from various countries, mainly the United States, but also from EEC countries.

[Reporter] How would you feel about collaborating with a future government, if the opposition wins?

[Monge] I think Costa Rica still has very grave problems due to the Central American crisis, the foreign debt, and the negative factors in the worlds's economy. No Costa Rican could withhold his cooperation from any government in confronting these problems.

[Reporter] What would be the best advice you could give to whoever wins Sunday's election?

[Monge] My main recommendation would be to make a great effort to completely unify the Costa Rican family, and to find a consensus in the way to face internal problems, the foreign debt, and the problems that result from the Central American crisis. My other recommendation is to correct, adjust, and rectify all the programs that need correcting, adjusting, and rectifying, but not to destroy and stop good programs out of political revenge.

[Reporter] Did you feel during your administration that more powers should be given to the president, who many times feels tied down because of existing laws and even because of the legislative assembly. But to make this question easier, do you feel it is necessary to strengthen the office of the president of the Repbulic?

[Monge] No. I don't think so. I believe the legislative branch needs to be changed thoroughly, but it will be difficult. I believe we must break the legislative role away from that of being a body used for political control.

This must be done to save the prestige of one of the most basic institutions in the republican system. Confusion over or delving into areas that correspond to each of these roles can somewhat explain the crisis which the parliamentary system is going through in the world. Instead of advocating the elimination of parliaments, we must advocate their reform. One of these basic reforms is to strengthen legislative reponsibilities because parliaments already have political control. This is a control that has been distorted and spoiled a bit.

[Reporter] Continuing with the same topic, how do you view relations between the executive and legislative branches in the past 3 years and 8 months?

[Monge] They have had their ups and downs. Why hide it? They have had their ups and downs not only because there is a strong opposition bloc, but because the Liberation Party faction has had constant internal difficulties. However, at no time have I thought that the best solution is to close the Assembly. On the contrary, I feel that we must exhaust all dialogue and reconcilation resources in order to process the laws of national interest that must pass through the Assembly. However, I must add that if my relationship with the Assembly has had its ups and downs, I don't believe there were any more ups and downs than the assembly has had with any other president.

[Reporter] How do you view your relationship with the opposition during the past 4 years?

[Monge] I have had a very smooth relationship with the opposition parties, except with the extreme leftist parties. Regarding the other representatives to the Assembly, I talked with them and turned to them without any vanity when I needed them to help me with any matter of national interest. I don't think I was less of a president by having to turn to them to help me with any national problem in which the Assembly had to help. Since by nature I am totally unable to feel rancour or hatred, I have not felt -- at any time regardless of the unjust attacks -- resentful or full of hatred for any of the opposition group's leaders.

[Reporter] After 3 years in power, do you believe the executive branch should have 5-year terms? Do you think you could have done more with 1 more year or were 4 years enough?

[Monge] On the eve of the 1982 elections, a distinguished newswoman asked me the same question. I responded -- a bit jokingly, but also seriously -- that 4 years are not enough for a good government, but 4 years are too much for a bad government. A bad government does more harm to a country in 5 years than in 4. Of course, we cannot take a stand on matters that are purely circumstantial when we discuss political, state, or constitutional theory. Therefore, if the national policy of not allowing the president to be re-elected is going to continue, I believe that increasing the presidential term to 5 years is best. This should be done if the principle of non-reelection of the president continues. Increasing the term to 5 years is recommendable, and letting the people assume the responsibility for choosing is best. If the people make a mistake, let them suffer the consequences.

[Reporter] In this political campaign, the opposition has generalized and used the topic of corruption. As president and a person who led the destiny of the country for the past 3 years and 8 months, we want to hear your opinion because you have been attacked indirectly also.

[Monge] I reserved my response to this repeated charge during the campaign.

I reserved my response especially concerning the embezzlement problem, which was true, real, proven, and which occurred with national emergency funds. These were funds accumulating for relief of earthquakes, floods, or any other grave incidents -- occasions on which special resources are needed. In addition, we had reorganized what is known as civil defense.

I will give you some brief explanations because I don't think this is the time -- on the eve of the elections -- to enter into polemics with opposition leaders who made this a central issue. I believe that this government has fought corruption just like any other administration. We have never impeded the investigative organizations or the courts when an official has been accused of committing a crime or of being involved in irregularities in handling state funds. We have not conspired with any official who has been disloyal to the policy of honesty in public administration.

There they were at the courts. Some of them were tried, and in the end the accusation was unfair. It was baseless. However, they had already been presented to the country. Unfortunately, the moral damage was done. They had already been tried by the people in the media. Therefore, there wasn't much satisfaction or compensation in hearing that the courts said they were unjustly accused when they had already appeared in the newspapers, radio, and television as criminals.

However, in the specific case of the national emergency funds, the culprits have been tried and the country knows this. However, what worries me the most is that in the accusations against the vice president, the government, and the president, more specifically, we undoubtedly noticed contacts, information, and documents supplied by the defendants to strike out at the government and the vice president. In other words, in my judgment there is a conspiracy between those who attack us because of these crimes and those who were tried at the courts.

GUATEMALA

CEREZO RULES OUT DEVALUATION OF QUETZAL

PA031454 Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 1 Feb 86

[Text] In statements to newsmen at the presidential house, President Vinicio Cerezo assured them that the quetzal will not be devalued. The country's problems are complex and to resort to such a handy measure as the devaluation of our currency can only increase the cost of living. This is something the government will not allow to happen because it would mostly affect the low income sectors. We must find other ways to solve these problems, he added.

President Cerezo told the newsmen that his government is going to reduce the nation's expenditures by 10 percent. The main purpose is to try to reduce the state's deficit and increase our funds. Another important action the government is going to take is to try to collect those taxes that for some reason we are not collecting. I am not thinking about new taxes, he said. I am referring to taxes the state should have collected, but it has not, President Cerezo explained.

Referring to the teacher's and public employees' wage increase, he said it will cost the state approximately 70 to 100 million quetzales, but it will not affect the state's budget because the money will be obtained from the 10 percent reduction in state expenditures and the taxes to be collected. President Cerezo explained to the newsmen that the 50 quetzales increase in teachers' wages was approved when they agreed to let the other public employees, who have very low wages, have the other 50 quetzales they were demanding. President Cerezo reiterated that the wage increase is only for workers with very low wages.

NO TIES WITH SOCIALIST COUNTRIES SEEN IN FUTURE

PA021521 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 31 Jan 86

[Excerpt] The Foreign Ministry announced today that for the time being the Guatemalan Government has dismissed the possibility of establishing consulates in socialist countries. Salvadoran Vice President Rodolfo Castillo Claramount, who is currently visiting in this capital, yesterday suggested the possibility that his country and Guatemala might eventually have this type of diplomatic representation in communist countries.

However, Guatemalan Foreign Minister Mario Quinonez Amezquita today said the following concerning this matter:

[Begin recording] [Quinonez Amezquita] The idea of joint diplomatic representation abroad was mentioned a long time ago. It is nothing new. What I can tell you is that Guatemala's idea is that if at some point we were to have joint representation abroad, it would have to be a representation of the Central American countries rather than just two countries, in this case, El Salvador and Guatemala.

No. If we reach some agreement, it should be a joint representation involving all of the Central American countries -- that is, we would appoint an ambassador to represent all five countries in certain places. The fundamental reason is simply one of cost. That is the reason. For instance, except for our diplomatic representation in Egypt, I know of no other Central American country that has representatives in Africa. And it is not a matter of not wanting them, but sometimes the economic resources [words indistinct].

[Question indistinct]

[Quinonez Amezquita] At this point, what with the ongoing Central American conflict, it would be quite difficult for us to join efforts in that direction. [end recording]

MUTUAL SUPPORT GROUP PROTESTS IN CAPITAL

PA031459 Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 1 Feb 86

[Text] The Mutual Support Group [GAM] held a demonstration yesterday afternoon in front of the National Palace in the first public demonstration faced by the civilian government of President Vinicio Cerezo. First, GAM members held a religious ceremony on the south side of the central square, where they prayed to God for their relatives' reappearance.

They also criticized Metropolitan Archbishop Monsignor Prospero Penado del Barrio for not allowing them to say mass in front of the cathedral. Because Msgr Penado del Barrio refused to give them permission to say mass inside or just outside the cathedral, the families of the missing persons had to pray and say mass in the open air in the main square. They wasted no time in criticizing Msgr Penado del Barrio for his attitude. The GAM leaders used their loudspeakers to make strong accusations against Msgr Penado del Barrio, calling him a pastor who had abandoned his flock.

Meanwhile, Msgr Penado del Barrio said he shares the GAM members' concern over the fate of their relatives, but he did not approve of nor could he accept the procedures they were using to demand their rights.

HONDURAS

FURTHER DEVELOPMENTS ON RESIGNATION OF LOPEZ REYES

Gonzalez Named Acting Chief

PA031443 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 3 Feb 86

[Excerpts] Tegucigalpa -- It has been officially reported that Colonel Efrain Gonzalez Munoz, who is also an attorney, temporarily assumed the post of commander in chief of the Honduran Armed Forces on 1 February following the removal of General Walter Lopez Reyes. Within 15 days, the Superior Council of the Armed Forces, Cosufa, will present to Congress a list of candidates to definitely replace Gen Lopez Reyes.

The new temporary command of the Armed Forces was considered the lieutenant of Lopez Reyes, whom he temporarily replaces because he is chief of the Joint General Staff. Gonzalez Munoz is described as an officer with a brilliant record. He is a graduate of command and staff schools in Venezuela and Brazil, and he has been a director of the Francisco Morazan Military School and a commander of infantry units.

During the government of General Osvaldo Lopez Arellano, Gonzalez Munoz was under secretary of government and justice. During the administrations of Generals Juan Alberto Melgar and Policarpo Paz Garcia, he was culture, information, and tourism secretary. As secretary, he participated in several conferences sponsored by UNESCO. In 1979, Gonzalez Munoz was director of the Armed Forces Command and Staff School and was subsequently appointed director of the National Geographic Institute.

The new military commander did not have a very prominent role between 1982 and March 1984 when General Gustavo Alvarez Martinez was commander in chief of the Armed Forces. On 31 March 1984, he was one of the officers who played a decisive role in the fall of Alvarez Martinez, an authoritarian officer and self-declared anti-communist who was accused of corruption and abuse of power, the INTERPRESS SERVICE dispatch states.

Within the military structure, Gonzalez Munoz became the number two man after Gen Lopez Reyes. As chief of the Joint General Staff, he was one of the main Honduran negotiators in the revision of the 1954 bilateral economic and military aid agreement with the United States. Col Gonzalez Munoz is a law school graduate of the Honduran National University. He is married and has three sons and one daughter.

We will now read a NOTIMEX dispatch: The Central Intelligence Agency, CIA, is mainly responsible for Gen Walter Lopez Reyes' removal as commander in chief of the Armed Forces. Lopez Reyes and his family unexpectedly left the country yesterday for the United States.

Political and military sectors in Tegucigalpa have commented that his departure means one more turn to the right for the Honduran militarymen and a hardening of relations with Nicaragua. They believe that in the future, Honduras will more openly permit the use of its territory to help the counterrevolutionaries fighting against the Managua government.

The CIA used personal ambitions in the Honduran Army and economic pressures to displace Lopez Reyes, who in March 1984 forcefully removed Gen Gustavo Alvarez Martinez as commander in chief of the Armed Forces.

The North Americans had picked Alvarez Martinez to replace Somoza as the unconditional defender of their interests in the region.

Col Efrain Lisandro Gonzalez Munoz will temporarily hold the post of commander in chief. The following officers have been mentioned as candidates to hold the post of commander in chief: Colonels Said Speer, commander of the Armored Cavalry Regiment; Leonel Riera Lunatti, commaner of the 1st Infantry Battalion; and Guillermo Thuman Cordon, currently commander general of the Army, whose name is most insistently mentioned.

Lopez Reyes' U.S. Trip Explained

PA031359 Tegucigalpa Domestic Service in Spanish 1130 GMT 3 Feb 86

[Communique issued by the Honduran Armed Forces Public Relations Directorate; date not given -- read by announcer]

[Text] The Honduran Armed Forces Public Relations Directorate reports the following to the domestic and international public:

1. Brigadier General Walter Lopez Reyes, former commander in chief of the Armed Forces, left on the morning of 2 February for Houston, Texas, the United States of America, aboard a private plane from the United States.

2. Gen Lopez Reyes left due to a personal decision and without pressures of any kind. He left exclusively for health reasons and to rest in the company of his family. Therefore, the assertions made by certain media that the former commander in chief has been pressured into leaving the country for an indefinite time are false and biased. Neither the Higher Council of the Armed Forces as a collegial body nor the senior military authorities have taken any action in this regard.

3. The former commander in chief is an officer on active duty in the institution who holds no specific post for the time being and, pursuant to Article 263 of the law on the creation of the Armed Forces, will be assigned to the officers' pool [deposito de oficiales] until such time as he fills a vacant post among the institutional cadres or retires from the institution. Therefore he remains subject to the military laws and regulations currently in force.

4. It is totally false that the irrevocable resignation filed by the former commander in chief was caused by the fact that he detected any acts of wrongdoing, disloyalty, indiscipline, or a lack of professionalism in the institution as some media have continued to assert. On the contrary, as he has stated verbally and in writing, his resignation is strictly for personal reasons.

5. For the public's information, we hereby quote the text of the note he addressed to President Jose Azcona Hoyo after his irrevocable resignation in order to request permission for a reasonable leave time to go to the United States, which leave time was granted. The note reads as follows:

Brig Gen Walter Lopez Reyes. Tegucigalpa, Central District. 1 February 1986

His Excellency Jose Azcona Hoyo, constitutional president of the Republic and commander in chief of the Armed Forces. Presidential House

Mr. General Commander:

With the subordination and respect due your high office, I take the liberty to ask your excellency through this means for permission to take some rest for a reasonable length of time and undergo a medical checkup in the United States of America, to which I will travel with my family.

I wish to inform you that since 1975, when I was commander of the Armando Escalona Espinal Air Base at La Lima, Cortes, to date I have not taken any rest because of the high responsibilities of my service in the various positions I have held. My request is promoted by these reasons, which I hope will be taken into consideration and handled accordingly.

With subordination and reiterating my high esteem for you, I send you my respectful regards.

Loyalty, honor, sacrifice.

[Signed] Brig Gen Walter Lopez Reyes

Copy to: General Staff, files. Authorized. Seal. Signed: Jose Azcona Hoyo, constitutional president.

6. The Honduran Armed Forces Public Relations Directorate issues this official communique in view of the corresponding speculation that may arise in view of the former commander in chief's trip.

Azcona Comments

PA031736 Tegucigalpa la Voz de Honduras in Spanish 1642 GMT 3 Feb 86

[Interview with Honduran President Jose Azcona Hoyo by Reporter Jose Emilio Soriano in Jutiapa -- live]

[Text] [Soriano] May a crisis occur within...

[Azcona -- interrupting] I don't think there will be a crisis.

[Soriano] Speculation and comments in the international press indicate that it was the CIA that removed General Lopez. Do you have any comment on this?

[Azcona] I don't think so. I think this has been an internal Armed Forces issue and he filed this irrevocable resignation. I don't think the U.S. Embassy, much less the CIA, had anything to do with this.

[Soriano] Do you think there were pressures?

[Azcona[I think yes. The Honduran Armed Forces have attained a very high level of maturity and respect the Constitution of the Republic.

[Soriano] Don't you think there were pressures from the U.S. Government.

[Azcona] I don't think so. I don't know. I don't think there were any.

[Soriano] Your government is currently being installed and this may create a crisis. Don't you think this will happen?

[Azcona] I don't think so.

Gonzales Views Situation

PA031949 Tegucigalpa Voz de Honduras in Spanish 1709 GMT 3 Feb 86

[Interview with Colonel Efrain Lizandro Gonzalez, acting commander of the Honduran Armed Forces, by unidentified journalists at Our Lady of Suyapa Church in Suyapa on 3 February -- recorded]

[Text] [Reporter] Good morning, Colonel Gonzalez. Pardon me for bothering you. It has been said that there was a very brief crisis within the Honduran Armed Forces; others say that it is not so brief. What can you tell us about this?

[Gonzalez] I don't believe that there is a crisis. The normal, foreseen process has occurred after the voluntary resignation submitted by the former commander.

[Reporter] It is said that you are the virtual new Armed Forces commander. It is said that you are one of the strongest candidates.

[Reporters] [Two reporters ask a question simultaneously] ...adviser to the Armed Forces. He said he will return in 3 weeks. Nevertheless, he bade farewell in a very emotional way and even had tears in his eyes.

[Gonzalez] Well, emotional problems depend very much on the people and the circumstances. He is an officer on active duty who does not have a specific post to occupy. However, he could be appointed adviser to the Armed Forces.

[Reporter] You are chief of the Joint General Staff of the Honduran Armed Forces. Therefore, you should know who will head the list that will be submitted to Congress. Is it true that Thuman Cordon is the man?

[Gonzalez] Well, I cannot tell you anything ahead of time because that issue will be settled in a session soon to be held by the Superior Council of the Armed Forces.

[Reporter] Colonel, the people are concerned over this action carried out by the Armed Forces. What explanation can be given to them?

[Gonzalez] What action by the Armed Forces? I am currently fulfilling the duties of the commander in chief of the Armed Forces. The future commander in chief will be chosen during an election that will be held by Congress from a list of three candidates supplied by the Superior Council.

[Reporter] Did the U.S. Government exert serious pressure and provoke this crisis?

[Gonzalez] There has been much speculation about this. However, on various occasions we heard the remarks voluntarily made by the former commander of the Armed Forces that the reasons for his resignation were purely personal.

Consequently, I don't think there was any pressure.

[Reporter] However, it is said that General Lopez Reyes won't return to Honduras because of the way in which he left.

[Gonzalez] I don't think there is any reason for him not to be allowed to return to Honduras. He is a Honduran citizen. In fact, he is a prominent Honduran citizen and there is no law that bans him from returning to the country.

[Reporter] The fact that Gen Walter Lopez Reyes left unexpectedly.

[Gonzalez] Gen Lopez Rkyes announced that he was going to submit his resignation as commander in chief. Then, he announced he was going to withdraw it. Later, he presented it definitely, and in an irrevocable manner. This is something that was within his duties and his personal will as commander in chief of the Armed Forces. I don't think this is a cause for concern by the Honduran people.

[Reporter] (?The Catholic Church) said it is worried about it.

[Gonzalez] The Honduran people should be worried about the country's general situation. We must all have a desire to improve our situation. But the Armed Forces remain the same; the organization is the same. There is no change. The missions they carry out are being fulfilled to the extent of the ability of the institution. It was only one commander in chief who decided to resign. The law foresees how his vacancy should be filled. The Armed Forces are not without a leader right now. By virtue of the law, I assumed command. And, within a period also determined by law, a new commander will be chosen with his full rights.

[Reporter] You said there is intrigue within the Armed Forces and that this could result in a crisis. What is the true picture within the Armed Forces?

[Gonzalez] I don't think there is any intrigue. With things like this -- when a new commander in chief is elected -- it is logical for new opinions aimed at benefitting a certain candidate to appear, but they aren't true intrigues.

[Reporter] Are you talking about a technical coup? Is this what happened, taking into consideration that some relatives of Gen Lopez Reyes said he was forced to resign? They said several Army officers visited him at 0930 to ask for his resignation. Later, it was also said that there were armored vehicles at the Armed Forces General Staff installations.

[Gonzalez] I remained at the Armed Forces headquarters where the Joint General Staff offices are located. I did not see an armored vehicle or anything like that at any time.

[Reporter] Colonel, will there be more purges within the Armed Forces?

[Gonzalez] I don't think there have been any or that there will be any within the Armed Forces.

[Reporter] It was said that unexpected changes within the Armed Forces recently prompted a crisis caused by the famous men of the sixth graduating class. What can you tell the Honduran people about this?

[Gonzalez] I cannot explain things I don't know anything about and which I don't believe happened.

[Reporter] You have assumed command of the Honduran Armed Forces. What can you tell Hondurans about your defense of our territory in view of flagrant violations of it by Nicaragua?

[Gonzalez] This is a problem that has concerned us for a long time. Our responsibility is the country's security and the protection of our national sovereignty and territorial integrity. It is a grave problem existing in the Central American region, and due to this problem, undoubtedly we cannot guarantee true tranquillity and peace in our region because of the constant incursions made by groups that belong to the military forces of the current Nicaraguan Government.

[Reporter] Do you think the commander of the Armed Forces is ready to face this -- the conditions the country is in -- and the Central American situation?

[Gonzalez] I think that any person chosen by the Superior Council to be one of those on the list of the three persons that will be proposed to Congress can be chosen because the Council feels he is prepared.

Now, personally, as far as I am concerned I have been in military service for 29 years, 4 of them as a cadet and 25 as an officer. I think I have acquired enough experience to run the Armed Forces. This is also the situation of many other officers who are in the service.

[Reporter] Colonel, as top Armed Forces commander, how would you explain to Hondurans that in 5 years we have had four Armed Forces commanders?

[Gonzalez] Our country is one in evolution. We are making a constant effort to improve. When a country evolves, changes must also take place. Adaptations must be made to the new changes presented by the international arena and the country's internal needs.

[Reporter] It was said that after Lopez Reyes left the Armed Forces command, General Alvarez Martinez could return to Honduras to give advice on what is allegedly referred to as contras in Honduras.

[Gonzalez] Well, Gen Alvarez Martinez is also a Honduran citizen. If he does not have a legal problem he can return to the country.

[Reporter] Does he have legal problems?

[Gonzalez] I don't remember exactly.

[Reporter] You don't remember or you don't want to tell us?

[Gonzalez] I understand that there is a trial pending in the military courts and also in the common courts. I am not sure. I can't give you any details in this regard.

[Reporter] What will be your military future? You have been a man with very close ties to Gen Lopez Reyes. Will the new men giving the orders and the new leaders continue to... [changes thought] The local press has interpreted the fact that Colonel Riera Lunatti, Colonel Margarito Amaya, and others went to the president to give him the report to mean that they are the new Army leaders.

[Gonzalez] That commission was appointed by the Superior Council to tell the president the Council had learned about the resignation submitted by Gen Lopez Reyes. The commission was chosen by the members of the Council. It has significance only as the commission that took a message to the president.

[Reporter] Let's go back to the Nicaraguan issue. If you become the commander of the Honduran Armed Forces, will you seek a bilateral dialogue with Nicaragua or will you support the stand of the Honduran Government, which is to seek an overall solution for this crisis?

[Gonzalez] I think you must understand that these matters that are related to the country's security, its foreign relations, and its foreign policy cannot be analyzed hastily or superficially. Any policy or attitude taken by the Armed Forces concerning the conflict with Nicaragua or any other conflict we have in Central America should be carefully analyzed with the president, who heads the foreign policy, all of the advisers, the Foreign Ministry, and the pertinent members of the Armed Forces.

[Reporter] Is it true that the CIA was involved in the Lopez Reyes resignation?

[Gonzalez] I have no knowledge of that. All I have as real, firm, and serious information are Lopez Reyes' remarks.

[Reporter] Is it true that Ambassador Ferch was the pioneer of this crisis within the Armed Forces?

[Gonzalez] My answer is the same as the one I gave you for the previous question.

[Reporter] Colonel, I just arrived from Colombia.

[Gonzalez] You are welcome here.

[Reporter] Thank you colonel. There is concern in my country over this type of instability, at least this is how we view what happened in the Armed Forces. What effect will this have on the civilian government that is just beginning?

[Gonzalez] There have been changes in the Armed Forces before. In fact, it is in order to establish a more frequent succession of Armed Forces commanders that we have reduced the period of administration of the commander in chief from 5 to 3 years. However, the changes you mentioned, as I explained before, are a result of the constant evolution experienced by our institution. We must adjust the institution to the changes experienced by the country and the changes in the Central American situation itself.

I don't think that these changes are any danger to the democratic system Honduras has and that involves, thank goodness, the start of a brand new constitutional government directly chosen by the people.

[Reporter] Do you reiterate the Armed Forces' total support for Azcona's constitutional government?

[Gonzalez] I don't think the Armed Forces or the government need to ratify or reiterate their support because it is simply a continuation of the support they have been giving. It is a continuation which the Armed Forces respect. They obey the laws that establish that the elected president of the Republic is the general commander of the military institution.

VISITING SALVADORAN LEADER VIEWS BORDER ISSUES

PA021504 San Pedro Sula LA PRENSA in Spanish 31 Jan 86 p 5

[Text] Tegucigalpa -- Rodolfo Castillo Claramount, Salvadoran vice president and foreign minister, yesterday maintained that his country wants a direct solution to the border conflict with Honduras. In addition, he said that he does not know anything about the recruitment carried out by the Salvadoran army in Meanguera, an island claimed by the two nations.

The ranking Salvadoran official arrived at Toncontin Airport at 1730 and was greeted by his Honduran counterpart, Carlos Lopez Contreras, and Salvador Trigueros, the Salvadoran ambassador in Tegucigalpa. Castillo Claramount said that the reason for his visit is to express to the new government "our will to solve common problems."

Honduras and El Salvador began negotiations on 9 and 10 January to find an agreement and go to the International Court of Justice in The Hague jointly to solve the border problem. The Salvadorans have been maintaining that it is better to continue the direct dialogue while still seeking a settlement in The Hague. Asked if they still hold that position, the Salvadoran vice president replied: "Of course, we have always said it and will continue to say that because we are convinced that a direct solution is the best. It is a solution that brings us closer and it is the most intelligent and appropriate solution." Affirming that he will not present a proposal in this regard to the Azcona Hoyo administration, the Salvadoran foreign minister said: "It is always possible to find a solution, even if the steps to get a ruling from the International Court have already been taken. [quotation marks as published]

NICARAGUAN CARDINAL OBANDO Y BRAVO BEGINS VISIT

PA031640 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 3 Feb 86

[Text] Tegucigalpa -- Amid strict security measures, Nicaraguan Cardinal Miguel Obando y Bravo arrived in Honduras yesterday to carry out religious activities. The prelate, who was invited to the country by Tegucigalpa Archbishop Hector Enrique Santos, will participate in a mass today in honor of the Virgin of Suyapa, the Lady of Honduras.

Hundreds of Nicaraguans who oppose the Sandinist government gathered in Tegucigalpa's Toncontin Airport to welcome the cardinal, a critic of the Managua government authorities. A pamphlet circulated at the airport by the Nicaraguan Democratic Youth stated that Carindal Obando y Bravo struggles against sinners and that his actitivites are not political. Obando y Bravo, who is accused by the Managua government of abandoning his pastoral work and engaging in political activity, was welcomed by Msgr Santos and Auxiliary Bishop Oscar Andres Rodriguez.

NICARAGUA

ORTEGA MESSAGE TO COSTA RICA'S PRESIDENT-ELECT

PA040403 Managua Radio Sandino in Spanish 0000 GMT 4 Feb 86

[Text] Nicaraguan President Commander Daniel Ortega has urged Oscar Arias, the new Costa Rican president, to contribute to peace in Central America.

This appeal by Nicaraguan President Ortega is contained in a letter sent today to the new Costa Rican president. Herewith is the text of the message from Commander Daniel Ortega to the new Costa Rican president.

Your excellency Oscar Arias Sanchez, president-elect of the Republic of Costa Rica

Dear President-elect: Upon learning this morning of your victory in the presidential elections held in that sister country, I am pleased to address you to convey my warmest congratulations on behalf of the Nicaraguan peoples and government. We believe that your victory at the polls opens the prospect of consolidating the peace efforts underway in Central America sponsored by eight sister countries of the continent; and we believe that under the administration over which you will preside as of 4 May 1986, Nicaragua and Costa Rica will be able to enter a new, different phase in their bilateral relations. The fact that you took up as a banner of your political campaign the topics of peace and neutrality, as well as mutual respect between neighboring nations, and the fact that the Costa Rican people have greeted this message as just suggests that we will have a solid base for reciprocal understanding.

For my part, I wish to say that you will find in my government the necessary disposition to work jointly in favor of harmonious and respectful relations between our two countries.

I salute you, Daniel Ortega Saavedra, president of the Republic of Nicaragua. Managua, 3 February 1986.

FOREIGN MINISTRY ON RIVERA, RUSSELL MEANS, CONTRAS

PA021438 Managua EL NUEVO DIARIO in Spanish 31 Jan 86 p 12

[Communique issued by the Nicaragua Foreign Ministry, dated Managua 30 January]

[Text] The Nicaragua Foreign Ministry addresses the national and international public to alert them to the propaganda campaign launched by Mr Brooklyn Rivera and his U.S. advisers regarding his alleged presence in Nicaraguan territory, accompanied by some U.S. citizens, and regarding alleged clashes with troops of the Sandinist People's Army. This propaganda ploy is further proof of Rivera's rejection of the peace talks and autonomy process which the Nicaraguan Government is defending, and which communities from the Nicaraguan Atlantic Coast have supported and participated in.

It is widely known that Mr Rivera has illegally entered the country on various occasions and that he has been guaranteed free transit in the nation's territory, including areas where Indians from the Atlantic Coast are living. Therefore, there are no reasons for Mr Rivera and his companions to have clandestinely entered the country, unless their actions are aimed at promoting terrorism and bloodshed on the Atlantic Coast.

The action by U.S. citizen Russell Means of sending "100 fighters to join Nicaragua's contras and Indians," as he told UPI on 27 December, falls within the framework of that campaign.

The Nicaraguan Government does not assume any responsibility for the fate of people who may have illegally entered the country, and, as has been reported, are in combat zones where the U.S. Government is promoting and financing counterrevolutionary military actions.

CENTRAL BANK CURRENCY EXCHANGE, LOAN MEASURES

PA010108 Managua Domestic Service in Spanish 2300 GMT 31 Jan 86

[Communique issued by the Central Bank of Nicaragua on 31 January in Managua]

[Text] The Press Office of the Presidency of the Republic reports to the Nicaraguan people the following communique issued by the Central Bank:

In order to support the production services and living standard policies package promoted by our government in 1986, and as a complementary action to halt and, if possible, decrease the economic imbalance faced by our country as a result of the backwardness and poverty we have inherited from the past; the criminal aggression imposed on us by the U.S. Government and the defects of international economy; as well as the decision to substantially reduce the cordoba's overall rate to create incentives for production, encourage exportation, contribute to the regulation of the price system, improve our credit, encourage savings and reduce the excess of currency in circulation; and seeking by all of these measures to fight inflation, the Central Bank Board of Directors Council, with the approval of Daniel Ortega Saavedra, president of the Republic and commander of the revolution, has approved the following currency exchange and loan measures:

The export-import currency exchange rate is modified and the cordoba's legal parity is changed to 70 cordobas per dollar. Visible traditional exports such as those protected by the guarantee price system will be liquidated at the established official rate. Visible nontraditional exports and the other visible traditional exports will be liquidated at 75 percent of the official legal rate and the remaining 25 percent at the free market exchange rate. The income obtained from invisible imports of relatively easy control will be liquidated at 50 percent of the official legal rate and the remaining 50 percent at the free market exchange rate. The transactions or income included in these groups are from, among others, insurance; reimbursement; commissions from branches or agents of foreign companies; income from port services not related to merchandise; and income needed by airlines, embassies, consulates, international missions, hotels, communications services and others to pay for local expenses. Fifty percent of payments in cash will be paid at the official legal rate and 50 percent at the free market rate.

Visible and invisible imports will be paid at the official legal rate. Income from transactions not expressly included in the previous categories can be negotiated on the currency exchange free market authorized by the Central Bank that operates through through the currennncy exchange houses.

In specific cases considered suitable for promoting nontraditional exports and obtaining more liquid currency for the country, the Central Bank of Nicaragua can place at the service of exporters or payers the portion of currency to be paid at the free market rate for the restricted use of the exporter or payer. In such cases the currency will be placed at the service of the exporter in a special current account or in a document issued by the Central Bank for this purpose. It can be used by the exporter to pay his own visible imports; to pay for health, travel, and education expenses; and to pay debts to the bank or negotiate the currency income in an authorized exchange house to pay for local expenses.

Interest rates are substantially increased for savings and fixed deposits.

Managua, 31 January 1986

Twenty-five years later, all weapons against aggression!

GOVERNMENT DECREES CONSUMER REGISTRY LAW

PA021527 Managua EL NUEVO DIARIO in Spanish 31 Jan 86 p 7

[Decree No 150 issued by the Foreign Trade Ministry in Managua on 31 January]

[Text] The president of Nicaragua, considering that it is in the revolutionary state's best interest to guarantee the adequate distribution of basic products for the consumers in each of the special regions and zones in the country;

And considering that to do this a solid control system is needed that will guarantee adequate planning of the collection and distribution of the main basic consumption products, in order to avoid duplication of supplies sent to certain sectors, as well as to establish the guidelines for reasonable distribution of consumer goods through the channels established for this purpose;

Therefore, being of sound mind, decrees:

A law Creating the Consumer Registry, the title of the following series of articles.

Article 1. Creates the Consumer Registry, which consists of the establishment of a single system that will control and process all information regarding consumers in each special zone or region in the country.

Article 2. The Interior Trade Ministry (Micoin) has been authorized to apply, control, regulate, and ensure the fulfillment of this law.

Article 3. All citizens within the national territory are obliged to answer the call to register by the organization established for this purpose.

Article 4. Because it is of general interest, this law is public; therefore, the different state and municipal organizations, organized popular sectors, as well as all native and naturalized persons, should offer the collaboration requested for the law's effective implementation.

Article 5. This law will go into effect as of its publication in any form of media, without affecting its later publication in LA GAZETA, the official newspaper.

Given in Managua on 31 January 1986. "After 25 years, all arms against the aggression."

Daniel Ortega Saavedra, president.

FOREIGN DELEGATIONS ARRIVE FOR THIRD PCC CONGRESS

USSR's Ligachev

FL031620 Havana Radio Progreso Network in Spanish 1200 GMT 3 Feb 86

[Text] Numerous foreign delegations continue to arrive in Havana to participate as guests in the Third Party Congress. Army General Raul Castro, second secretary of the Central Committee and FAR minister, has received Yegor Ligachev, member of the Politburo and secretary of the CPSU Central Committee, at the airport.

Vietnamese Party Leader

FL300204 Havana Radio Rebelde Network in Spanish 0000 GMT 30 Jan 86

[Text] Nguyen Van Linh, member of the Vietnamese Communist Party Political Bureau [as heard], departed from Hanoi today to participate in the Communist Party of Cuba Third Party Congress, which will be held in Havana. Micaela Ramirez, responsible for Cuban affairs in Vietnam, accompanied the Political Bureau leader to the airport.

More Foreign Delegations

FL032100/FL040051/FL031604 [Editorial Report] Havana Television Service in Spanish at 1800 GMT on 3 February broadcasts the following on the arrival of foreign delegations to the third party congress:

"Last night was a busy night for the persons greeting the numerous delegations that arrived at Jose Marti International Airport in Havana to participate in the Third Party Congress. Extending first greetings on Cuban soil were Ramiro Valdes, Carlos Rafael Rodriguez, Guillermo Garcia, Julio Camacho Aguilera, and Sergio del Valle.

"Among the delegations that arrived last night are those headed by Chudomir Aleksandrov, member of the Politburo and of the Secretariat [as heard] of the Central Committee of the Bulgarian Communist Party, and Istvan Sarlos, member of the Politburo of the Bulgarian Communist Party and chairman of the National Assembly; Shimelis Mazengia, member of the Politburo of the Workers Party of Ethiopia; (eve altangerel), member of the Politburo of the Mongolian People's Revolutionary Party; Nouhak Phoumsavan, member of the Politburo of the Lao People's Revolutionary Party; Iosif Banc, member of the Executive Political Committee and of the Permanent Bureau and Secretary of the Central Committee of the Romanian Communist Party; Marian Wozniak, member of the Politburo and secretary of the Polish United Workers Party; and Ernest (kabumoure), member of the Politburo of the Zimbabwe African National Union and first secretary of the Youth League of Zimbabwe."

"Greeters and guests conversed at length at the airport following the arrival of the visitors."

Havana Radio Rebelde Network in Spanish at 0000 GMT on 4 February and at 1200 GMT on 3 February notes further arrivals:

"Commander of the revolution and Nicaraguan President Daniel Ortega has arrived in this capital heading a Sandinist National Liberation Front delegation invited to the Third Party Congress. Politburo member Juan Almeida Bosque and Central Committee member Manuel Pineiro welcomed him at the Jose Marti International Airport.

"Milos Jakes, member of the Presidium and secretary of the Communist Party of Czechoslovakia Central Committee, this afternoon arrived in Cuba heading a delegation which will attend our congress. He was welcomed by Central Committee member Joel Domenech and Rafael Polanco, deputy chief of the Foreign Ministry General Department.

"Also arriving in Havana was Jorge Handel, member of the General Command of the Farabundo Marti National Liberation Front and secretary general of the Salvadoran Communist Party, and Ruben Zamora, vice president of the Democratic Revolutionary Front from El Salvador. They were welcomed by Manuel Pineiro.

"Puerto Rican Socialist Party Secretary General Carlos Gallisa also arrived this afternoon and was welcomed by Central Committee alternate member Ricardo Alarcon.

"In the last few hours, other delegations and personalities from parties and political organizations invited to the Third Party Congress have arrived at Havana's airport.

"Only 24 hours before the Third Party Congress begins, the Havana Palace of Conventions is boiling with enthusiasm that spreads to men and women of all occupations and ages. Delegations invited to attend the Third Party Congress continue to arrive in Cuba, including the delegation headed by Mohamed Ben Ahmed Abdelghani, member of the Politburo of the National Liberation Front and Algerian Minister of State for the Presidency, who was received by Miguel Ano Blanco, alternate member of the Politburo.

"Jorge Enrique Mendoza, Central Committee member, welcomed Renato (saurere), member of the National Secretariat of the Italian Communist Party.

"Otto (Poldolski), of the Austrian Communist Party, was received by Thelma Bornot Publillones, alternate member of the Central Committee.

"Armando Hart Davalos, Politburo member, met Milan Kucan, member of the Presidency of the League of Communists of Yugoslavia.

"Bernard Combo-Matsiona, member of the Politburo of the Congolese Labor Party, Simon Sanchez, member of the Executive Committee of the Spanish Communist Party, and (Fernando Blanqui), member of the Political Committee and Secretariat of the Portuguese Communist Party, were received by Jesus Montane Oropesa, alternate member of the Politburo.

"Volioa Teitelboim, member of the Political Committee of the Chilean Communist Party, has also arrived in Cuba and was received by Luis Orlando Dominguez, Central Committee member."

Brazil PCB Leader

PY031523 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Feb 86 p 4

[From the "Panel" column]

[Text] Giocondo Dias, general secretary of the Brazilian Communist Party, is visiting Cuba at the invitation of the Communist Party of Cuba.

Angolan Delegation

PA281650 Havana International Service in Spanish 1800 GMT 27 Jan 86

[Text] A delegation of Angola's MPLA-[Popular Movement for the Liberation of Angola]-Labor Party will leave for Havana on Friday to attend the Third PCC Congress that will begin on 4 February.

The Angolan delegation is headed by a MPLA-Labor Party Politburo member, Antonio dos Santios Franca Ndalu, chief of the general staff of the FAPLA [People's Armed Forces for The Liberation of Angola].

The Angolan delegation is made up of: Bornito de Sousa, chief of the FAPLA political division, and (Manuel Pedro Pacabida), Angolan ambassador to Cuba, both members of the MPLA Central Committee.

PLO Delegate

PA021930 Havana International Service in Spanish 1800 GMT 2 Feb 86

[Text] Several delegations arrived a few hours ago in Havana as guests to attend the Third PCC Congress, which begins Tuesday in Havana. These delegations include those from the Unified Party of Haitian Communists, the Communist and Socialist Parties of France, and political organizations from Venezuela, Norway, Denmark, Burkina Faso, Burundi, and Malta.

'Abd al-Rahim Ahmad, member of the PLO Executive Committee, has also arrived in Havana.

Iran's Tudeh Party

FL011415 Havana Radio Progreso Network in Spanish 1200 GMT 1 Feb 86

[Text] Several Cuban provinces are officially seeing off or preparing to see off the delegates to the third party congress while foreign delegations invited to the great event continue arriving in Havana.

Among the latest delegations arriving at Jose Marti's International Airport are the ones from the Communist Parties of Iraq and Israel and of Iran's Tudeh Party, headed by its Secretary General Mohammad (Habari).

Iraq Ba'th Party Delegation

JN020939 Baghdad INA in Arabic 0832 GMT 2 Feb 86

[Text] Baghdad, 2 Feb (INA) -- Shibli al-'Aysami, assistant secretary general of the Arab Socialist Ba'th Party, left Baghdad today leading a party delegation to attend the Third Congress of the Communist Party of Cuba that begins Tuesday. The delegation comprises Na'im Haddad, member of the Ba'th Party National Command; and Sa'd Qasim Hammudi, director of the Foreign Relations Office at the National Command.

Guinea Bissau, DPRK Delegations

PA021928 Havana International Service in Spanish 1600 GMT 1 Feb 86

[Text] Delegations from various countries that will attend as guests the Third PCC Congress continue to arrive in Havana.

Joao Bernardo Vieira, secretary general of the African Party for the Independence of Guinea Bissau and president of that country, arrived today at the Jose Marti International Airport in Havana.

The vice president of the Democratic People's Republic of Korea, Pak Song-chol, arrived heading his country's delegation. (Olivio) Pires, member of the political commission and the secretariat of the African Party for the Independence of Cape Verde, also arrived.

Caribbean, Mideast Delegates

FL031526 Bridgetown CANA in English 1843 GMT 1 Feb 86

[Text] Havana, Feb 1, CANA -- Political activists from several Caribbean countries have begun arriving: Here to attend -- as guests -- the Third Congress of the Communist Party of Cuba, scheduled to begin Tuesday, the official PRENSA LATINA news agency said. Already in, the agency said, are representatives from Guyana's two main political bureau of the ruling People's National Congress (PNC) as well as Janet Jagan, executive secretary of the Marxist People's Progressive Party (PPP). Guests from St Lucia are John Odlum, chairman of the Progressive Labour Party, and Earl Bousquet, secretary general of the Worker's Revolutionary Movement, PRENSA LATINA said.

Other activists arriving include the head of the Dominica Labour Party (DLP) and parliamentary opposition leader Michael Douglas; the leader of the Liberation Movement, David Laville; Tim Hector, chairman of the Antigua-Caribbean Liberation Movement; Oscar Allen, general secretary of the Youlou United People's Movement of St Vincent; Blazer Williams of that island's National Unity Movement's Executive Board; Eugenio Bodefroid, secretary general of the Socialist Movement from Curacao, and Vincent Cabrera of the February 18 Movement's Central Committee of Trinidad and Tobago. Felicien Bourgoes and Roland Gemdrey, members of the Political Bureau of the Communist Party of Martinique and Guadeloupe, respectively, arrived earlier.

Representatives are in from other continents, including Nadim 'Abd al-Samad, under secretary general of the Lebanese Communist Party; Salah Salah of the Palestinian Liberation People's Front and Ghaji Mansour of the Central Committee of the Lebanese Socialist Party, PRENSA LATINA said.

More Caribbean Delegates, CPUSA Head

PA021929 Havana International Service in Spanish 1600 GMT 2 Feb 86

[Text] Representatives from various political organizations from Jamaica, Barbados, Grenada, and other countries arrived a few hours ago in Havana to attend as guests the Third PCC Congress which begins next Tuesday in Havana. Among the guests are Trevor Munroe, secretary general of the Workers Party of Jamaica; George Louison, vice president of the Maurice Bishop Patriotic Movement from Grenada; and George Belle, general secretary of the Workers Party of Barbados. Earlier, other delegations had arrived at the Jose Marti International Airport in Havana, including party leaders from Vietnam, the Democratic People's Republic of Korea, Angola, and Cape Verde. The national chairman of the Communist Party of the United States, Henry Winston, also arrived and said he was very happy to be able to again visit Cuba as a guest of the Third PCC Congress.

PCC CONGRESS TO OPPOSE RELIGIOUS DISCRIMINATION

PA031615 Madrid EFE in Spanish 2351 GMT 2 Feb 86

[By Juan Jesus Aznarez]

[Text] Havana, 2 Feb (EFE) -- The PCC will oppose religious discrimination at the third congress that will start Tuesday. However, it warned that it will not tolerate the use of religion to fight the revolution.

The draft platform already being studied by the 1,790 delegates who will attend the meeting indicates that "within the policy of people's unity being developed by the party, there cannot be any hint of discrimination against believers." "On the contrary, we must promote their voluntary and conscientious participation as citizens and patriots in building socialism," it adds.

The PCC maintains the principle of freedom of religion, which is the right to have a religious belief and practice this religion "within the law." The Cuban Communists state in their draft platform, which must be approved by a special assembly in December [as received], that they will make "systematic and patient" efforts to spread "the scientific materialistic concept of nature, society, and thinking" throughout the country. The document recognizes the same rights and duties for believers and non-believers, and defends scientific education as well as lay schools. It states that the authorities will pay attention to, "in accordance with the country's economic possibilities and the already established priorities, the material problems of church institutions that need the help of state organizations." When the PCC states that it will seek to spread a materialistic concept among the population, it adds that "this task does not involve hurting religious feelings or harming the moral integrity of believers."

The Cuban Communists also offer their support to Latin American religious sectors that are committed to the struggle "for changes in the obsolete economic and social structures."

Church officials have observed a rapprochement and detente in relations with the Cuban state. The first official contacts between the church and President Fidel Castro occurred last year. The Catholic Church has scheduled, for the first time, a national meeting on a date after the PCC Congress, basically in the second half of February.

Cuban bishopric sources also highlighted the appearance of the book "Fidel and Religion," with 600,000 copies issued on the island to great popular acceptance.

A possible visit to the island by Pope John Paul II, a trip that has not been officially confirmed, would be within this context.

GRANMA CONDEMNS U.S. MANEUVERS OFF HAITI

FL031937 Bridgetown CANA in English 1918 GMT 3 Feb 86

[Text] Havana, Feb 3, CANA-REUTER -- Cuba today condemned planned U.S. naval exercises in the Caribbean as a form of pressure on Haiti's opposition forces, aimed at browbeating them into a political settlement favourable to Washington's interests. This surprising Yankee manoeuvre is aimed at pressuring the Haitian opposition in such a way that the United States will gain political control of any eventual solution to the country's present crisis, the communist party daily GRANMA said in a front-page article. The Pentagon has said the manoeuvres, involving an aircraft carrier and 32 other warships, will take place for 20 days from next Thursday.

Havana has so far refrained from direct comment on the current unrest in Haiti against the rule of President Jean-Claude Duvalier, although President Fidel Castro last Friday predicted his overthrow in a matter of days. The official media here has taken the line that Washington wants to dump its erstwhile ally, who has become politically untenable, while ensuring that any new government in the poverty-stricken country will be complaint to its interests.

Despite close historical links between Cuba and Haiti, which are 40 miles (64 km) apart, the Communist government in Havana appears to be keeping its distance from events in the French-speaking republic, where at least 70 people have been killed in anti-government violence over the past few days. During the 19th century there was a steady stream of Haitian immigrants to eastern Cuba and, in more recent times, Cuba has offered refuge to opposition leaders persecuted by Duvalier and his late father, Francois Duvalier, who have ruled Haiti since 1957.

However, the Cuban media have given no hint that the government supports any particular faction of the Haitian opposition and its reports on Haiti have emphasized the role of the Catholic Church as a catalyst for the rebellion.

COMMENTARY VIEWS DUVALIER'S IMMINENT COLLAPSE

FL011348 Havana Radio Progreso Network in Spanish 1200 GMT 1 Feb 86

[Station commentary]

[Text] The struggle of the Haitian people has created a crisis for Jean-Claude Duvalier's tyrannic regime. This is a serious blow to U.S. imperialist policy in Latin America and the Caribbean. Haiti's situation made Wahington prematurely announce the dictator's fall when White House spokesman Larry Speakes said "Baby Doc" had fled the Caribbean island. Shortly after, the State Department denied the White House's version. It is evident that the facts prove that the Duvalier tyranny is about to collapse.

It is no secret that power in Haiti has been directed from Washington for decades. To be more precise, it is in the hands of the U.S. Ambassador in Port-au-Prince. Everything seems to show that the U.S. Government has decided to sacrifice its proteges before the growth of the people's struggle threatens U.S. interests in the poorest country of the continent.

From this, it is logical to infer that Washington's true aim is to put an end to the struggle and place new forces in power which would serve the interests of U.S. firms as zealously as the Duvalier family has done. Over 150 U.S. companies have interests in Haiti and benefit greatly by the incredibly cheap Haitian labor. It is enough to say that a highly skilled Haitian laborer maked a maximum of $3.00 per day and, while the per capital income is $66.00 annually, the dictator's wife (Michelle Bennet) spent $1.7 million in Christmas gifts. Many are certain that Duvalier's fall in unavoidable and the symptoms are fatal for "Baby Doc's" regime.

The U.S. Government is about to withdraw its support, the IMF denied a $12 million loan, private banks are leaving the Caribbean island, and the Reagan administration is unwilling to give the $7 million it had promised for the 1986 fiscal year. All "Baby Doc's" regime needs is to hear a prayer for the dead because for all practical purposes it does not exist anymore -- it is evaporating.

ECONOMY'S GAINS, SHORTFALLS, 1986 PLANS VIEWED

FL031637 Bridgetown CANA in English 1941 GMT 2 Feb 86

[Text] Havana, Feb 2, CANA-ALASEI -- Analysis of the Cuban budget and economic projections for this year seems to indicate a push in industrial development and in the productive sector. The productive sector is getting 32.9 per cent of the budget -- close to four billion pesos. Cuban economic planners expect employment generation in 1986 should increase between 2.5 and three per cent. As a result, it is hoped that total production will climb by 60 per cent. The government is banking on greater efficiency on the job, in which new technology is billed to play a part, better use of the work-day and greater output.

In 1985, the overall domestic product, the gross national product minus services, increased by 4.8 per cent. This year, the planners forecast a lower figure -- between three and 3.5 per cent. Some analysts blame the slow-down on four factors, including a fall in the prices of sugar and fuel, which last year produced a revenue loss of one hundred million dollars and which this year, based on current trends, could be higher.

They speak too of serious damage caused, last November , to the economy by Hurricane Kate, regarded as the worst natural disaster in Cuba's history; reduced capability to purchase new technology on the part of Western countries, where Cuba does less than 15 per cent of her external trade and, as a consequence, a fall-off in revenue based on new investments when a high level is reached in this field. The fall in the price of oil affects Cuba's foreign exchange position because the country, which imports almost 90 per cent of its energy needs from the Soviet Union, re-exports what it manages to conserve. Cuba has decided to place special emphasis in three areas: productivity, including additional incentives; a higher level of technological education; and an acceleration of scientific and technical development, including biotechnology and micro-computerisation.

Government officials believed that a literate country, with a vast majority of its workers having a minimum of nine years education, with university faculties in all its provinces, and research centres in many disciplines, is ideally placed to raise the standard of education in such a way that it is reflected in the working environment. That chage in focus is seen in the fact that the budget allocation for welfare was raised this year 6.1 per cent in relation to 1985, facilitating 46,000 new retirement pensions in the public service, and 6,000 to co-operatives, in addition to constructing new old people's homes.

The incentive to better output seems to be reflected in the fact that the basic salary is increased this year between four and 4.5 per cent. On the other hand, the mid-scale will only increase between one and 1.5 per cent. At the same time, personal consumption should increase between 2.5 and 3 per cent, the planners forecast.

Another 34,000 houses will be completed, and this year there will be, according to official figures, 12 per cent more doctors than in 1985 and three thousand new beds in medical centres. In this scheme of socio-economic development forecast for this year, a certain fact made headline reading in the daily GRANMA in January: the yield of sugar per ton of cane fell significantly. According to last month's sampling, results are far below expectations, and remain far from what was obtained in the corresponding period in 1985. Sugar continues to be the major source of foreign exchange for Cuba.

HAITI

DUVALIER TOURS CAPITAL IN SHOW OF POWER

FL031950 Bridgetown CANA in English 1911 GMT 3 Feb 86

[By Gilles Trequesser]

[Text] Port-au-Prince, Feb 3 CANA-REUTER -- President Jean-Claude Duvalier briefly toured Haiti's capital today in an apparent effort to show that he still had a grip over this nation torn by anti-government protests, witnesses said. But most shops in Port-au-Prince were closed as residents refused to heed a government call to resume economic activities under the three-day-old state of siege.

With his wife Michele at the wheel of the presidential Landrover, a stern-faced Duvalier made three stops near the market area to distribute soup to slum dwellers.

Anti-government protests, a novelty in Haiti, erupted last week, threatening nearly three decades of rule by the Duvalier family.

Hospital sources said at least 50 people died during disorders at the weekend in Port-au-Prince and 20 more deaths have been reported in the provinces. No official toll has been released. Today, Trade and Industry Minister Robert Thomas urged Haitians to do business as usual and promised military protection. But an extended tour of the pot-holed streets of downtown Port-au-Prince showed most shop owners prefered not to work. Busy streets were crammed with vehicles giving the illusion of normal activity, but commercial life was at a virtual standstill.

Troops, seen at almost every street corner, seemed relaxed and the sinister Tontons Macoute militiamen mixed with the crowd. Armed guards in sentry boxes in front of the white-painted presidential palace also appeared relaxed. No troops were visible in the vicinity.

Communications with outlying towns were erratic but several anti-Duvalier demonstrations were reported yesterday in the town of St Marc, 50 miles (80 km) north of here.

Foreign journalists were effectively prevented from leaving the capital. The Information Ministry only advised them not to travel to the provinces for their own safety, but military roadblocks round the capital made it practically impossible anyway. Two American television crews were detained for six hours yesterday by the military at a roadblock south of the capital. They were released after intervention by the U.S. Embassy.

No Elections Planned

LD040911 Paris International Service in French 0800 GMT 4 Feb 86

[Excerpt] Haitian President Jean-Claude Duvalier has no intention of leaving power. He said this again yesterday, stressing that there was no question of considering democratic elections in the country. This was his reply to the calls made by U.S. Secretary of State George Shultz. In Port-au-Prince the Army is present everywhere; calm seems to have been restored.

DEMONSTRATIONS, VIOLENCE CONTINUE; STRIKES URGED

2 February Wrap-up

PA030348 Paris AFP in Spanish 0232 GMT 3 Feb 86

[Text] Port-au-Prince, 2 Feb (AFP) -- Several thousand Haitians demonstrated today in Lestere, 128 km north of Port-au-Prince, and in Saint Marc, 98 km from the capital, against the regime of President Jean-Claude Duvalier, despite the state of siege decreed since Friday throughout the country.

The Army opened fire 1 February on the demonstrators in Petit Goave, 60 km southwest of Port-au-Prince, killing 3 and wounding 10, it was learned today from a reliable source.

Early yesterday morning a person was shot to death in this capital by the Tontons Macoutes, an eyewitness reported.

The unofficial figures are 46 dead and 123 wounded, as a result of the tense situation that has prevailed since 28 November 1985.

Reports received in the capital say that many persons were arrested today, Sunday, in Gonaives, 152 km northwest of Port-au-Prince.

A truck carrying civilians guarded by soldiers was seen leaving the capital's main police station this morning. When asked by AFP, the police said that they were beggars and criminals and not demonstrators.

The day was calm in Cap Haitien, the second most important city in the country, located 260 km north of the capital, where a daytime curfew, from 0700 to 1300, was in effect today. At the end of the day, Commerce Minister Ramond Thomas and Colonel Gregoire Figaro, Port-au-Prince police chief, asked the storeowners in the capital to open their stores tomorrow, Monday, guaranteeing them absolute protection. They both asked for cooperation to identify the looters during last Friday's demonstrations in Port-au-Prince.

Port-Au-Prince Situation

FL031402 Bridgetown CANA in English 1336 GMT 3 Feb 86

[By Gilles Trequesser]

[Excerpt] Port-au-Prince, Feb 3, CANA-REUTER -- Gunfire echoed through the deserted streets of the Haitian capital every few minutes last night and doctors and opposition sources reported that at least 70 people have died in a week of anti-government violence.

Beleaguered President Jean-Claude Duvalier, who has not been seen in public for nearly a week, said in a television message on Friday he would soon present a new plan to improve living conditions in this impoverished Caribbean nation ruled by the Duvalier dynasty since 1967.

The trouble in Port-au-Prince began on Friday after Duvalier imposed a state of seige. It was the first time any major anti-government protest or violence had occurred in the capital. Doctors at the state university hospital said at least 50 people had been killed and more than 100 injured during disorder in central Port-au-Prince on Friday.

Residents said the normally bustling capital was quieter than usual yesterday, but pre-carnival celebrations, with youths chanting and dancing in the muddy streets of Saline brought an unexpected air of festivity.

An estimated 20 deaths in the past week, plus scattered demonstrations and violence yesterday, were reported in several provincial towns by opposition sources.

In Port-au-Prince, where the 30-day state of siege was in force, single rounds or submachine guns bursts rang out every five or 10 minutes for the third consecutive night in the slum area of the capital.

In the small town of St Marc, 90 kilometres (60 miles) north of here, a crowd of at least 200 people ran through the streets carrying a coffin with the inscription Jean-Claude, this is for you, American news pnotographer Paul Gero said.

Other journalists had their movements restricted. A Canadian television crew ran into one of several military roadblocks set up around Port-au-Prince on their way to Gonaives and had to head back to the capital. An Information Ministry spokesman told foreign reporters provincial military authorities were extremely busy and could not guarantee their security. He suggested they not leave the capital.

Travellers have reported countless roadblocks between towns, manned by villagers sympathizing with the revolt and often demanding money before letting people pass.

Work Stoppage Held

PA032350 Madrid EFE in Spanish 2327 GMT 3 Feb 86

[Text] Port-au-Prince, 3 Feb (EFE) -- EFE confirmed today that 86 percent of the business establishments, 50 percent of the industries, and 100 percent of the schools were closed in Port-au-Prince today. This is the largest peaceful demonstration against Duvalier's regime.

Of the 100 factories visited by EFE today, 50 were closed, 21 were open, and in 29 the doors were open but there was no industrial activity underway. Of the 500 business establishments observed, principally in the downtown part of the capital, 86 percent were closed, 4 percent were open, and 10 percent were open but without clients. Of the 100 schools, kindergartens, and professional training centers in the downtown area and outskirts of Port-au-Prince, none were open.

This report was confirmed between 1400 and 1500 in the afternoon, hours when industries, businesses, and schools are normally open.

CANA Reporter's Analysis

FL031702 Bridgetown CANA in English 1359 GMT 3 Feb 86

[By Phil Davison]

[Text] Port-au-Prince, Haiti, Feb 3, CANA-REUTER -- The revolt against 28 years of Duvalier family rule has spread like a forest fire across this backward Caribbean nation, leaving President-for-Life Jean-Claude Duvalier beleaguered and more than 70 dead. But the question of who is behind the revolt in the former French colony of Haiti, where real opposition to Duvalier rule has always been prohibited and often ruthlessly put down, remains largely unanswered. The momentum which the anti-Duvalier movement gained as demonstrators took to the streets of provincial towns last week has baffled foreign diplomats and appeared to surprise even the protesters themselves. Those disturbances left at least 20 people dead and hundreds injured.

The capital has not seen a public anti-Duvalier protest, although more than 50 people were killed here and hundreds wounded in the past two days of tension, looting, cold-blooded midnight killings and stray gunfire. The violence followed Duvalier's imposition of a state of siege on Friday, an apparent attempt to prevent the provincial protests from spreading to Port-au-Prince.

In the capital, a city of immigrants suspicious of their neighbours, not a single shout of the ubiquitous slogan of the provincial uprising -- Down with Duvalier -- has been heard. Nevertheless, numerous Haitians interviewed in Port-au-Prince said they supported the anti-government movement afoot in the provinces.

Foreign reporters who witnessed demonstrations in the towns of Cap Haitien, Gonaives, Les Cayes, Jeremie and Petit said that unemployed youths and students generally appeared to initiate the protests, taking to the streets and shouting Down with Duvalier in full view of troops, but the swelling crowds of protestors were joined later by more aggressive youths who appeared less educated and whose slogans and actions were tougher than the rest.

We are fed up with living like animals, while Duvalier drives around in luxury sports cars and his wife collects fur coats with the country's money, an unemployed youth whispered to a foreign reporter on a back street of Cap Haitien. He said he had no political affiliations. His priority was the overthrow of Duvalier and the introduction of democracy. Minutes earlier the youth had claimed in front of other demonstrators to be a leader of this movement. What has come to be known as the youth revolt has no detectable political leanings, but it is anti-Duvalier and wants to promote a better standard of living in a country where the majority of the population lives in abject poverty. Opinions are divided over whether the young rebels act individually and spontaneously in each provincial town or are part of an organized nationwide network. If the latter is the case, they could be following a specific plan and timetable under which they plan to topple Duvalier within a short period of time, foreign diplomats say.

February 9-12 is Mardi Gras, or carnival, in Haiti, a time of celebration for the impoverished majority. Anti-Duvalier protestors have urged that Haitians sacrifice their traditional celebration and hold a general strike from February 12-20, which they say will effectively end Duvalier's rule. If he not actually overthrown by then, he will remain president only of his palace, their unsigned statement said.

The Roman Catholic Church has backed the movement through its radio stations and by providing refuge to the protestors. In the pulpit as well, priests have been giving increasingly politicized sermons reflecting their anti-government leanings. Many Haitians in this overwhelmingly Catholic country say the real spark for the anti-Duvalier movement was a visit in March 1983 by Pope John Paul, who pointedly told Haitians in their own Creole dialect: Have courage, have faith, you can count on me. The protesters in Cap Haitien began their demonstration on the steps of the cathedral and retreated inside, preventing troops from being able to attack.

Many diplomats believe the vast majority of Haitians oppose Duvalier's rule but, in a country where peaceful opposition has been systematically suppressed, the question of how they can overthrow the government without arms remains. The provincial demonstrators showed no signs of having, or wanting, weapons.

They said they were opposed to violence, and appeared reluctant even to throw stones at troops. Most said they hoped to gradually win the troops over to their side. Their anger was directed more against the blue-shirted Tontons Macoutes militia, set up by the president's father, Francois Papa Doc Duvalier.

A few college students, however, said they believed some of the protestors were gathering guns in case they would be needed to oust Jean-Claude Baby Doc Duvalier, who succeeded his father as president-for-life in 1971.

Run on Banks

PA032201 Madrid EFE in Spanish 2137 GMT 3 Feb 86

[Excerpt] Port-au-Prince (Haiti), 3 Feb (EFE) -- Hundreds of persons were forming long lines at the doors of the 10 most important banks in Port-au-Prince to withdraw their savings. The banks, which opened an hour later than usual today, were heavily guarded by soldiers and policemen who maintained order among the impatient clients.

By mid-day there were two banks that were practically closed, the Scotia Bank and the Bank of the Haitian Union, which only permitted persons to enter one by one, despite the long lines.

In other banks the people were forming lines in front of tellers' windows as in the Bank of the Republic of Haiti, the most popular on the island, and Citibank, where the people waited patiently to do their banking.

Other organizations, such as the Haitian Popular Bank, the National Credit Bank, and the Bank of Paris reported normal activities.

CTK INTERVIEWS COMMUNIST PARTY LEADER

LD011824 Prague CTK in English 1651 GMT 1 Feb 86

[Text] Paris, Feb 1 (CTK correspondent) -- Friday's report on Duvalier's departure from Haiti proceeded from a plan prepared by the USA which envisaged the dictator's resignation and the installation of a military-civilian junta to represent a sort of provisional government, General Secretary of the United Party of Haitian Communists (PUCH) Rene Theodore said in an interview to CTK here today.

He went on to say that concern arose within the ranks of Duvalier's followers that a continuity of policy and their power positions are not sufficiently secured. These circles thus felt themselves jeopardized. Tension prevailed between these people, too much compromised by the present regime to be included in a new government, and persons close to the U.S. Embassy who were to carry out the necessary changes and at the same time protect U.S. interests. This situation in the reactionary camp frustrated Washington's plan, and was the second similar fruitless attempt of the USA in the past two weeks to form a junta that would make a "coup" and would consist of high-ranking officers, nearly all of them CIA agents. Their names became known early enough for preventing a catastrophe. To save himself, Duvalier had to suspend them from the Army and depose others from commanding posts.

Rene Theodore said that in both cases, persons who were to replace the present regime did not live up to the expectations and demands of the people; on the contrary, they manifested the U.S. effort to protect its interests and divert popular opposition from its path.

Asked about the opposition movement, Rene Theodore said it was born in rural areas and only later became established in the capital. At present fierce clashes take place between the inhabitants and security forces in Port-au-Prince in response to the government's decision to declare a state of siege. The people ignore it and fight in the streets.

Rene Theodore said the Army is strongly divided. The rank and file are influenced and neutralized by the popular movement, and the commanders do not dare issue orders for reprisals. Leaflets are circulated, indicating the soldiers' willingness to join the democratization process.

The United Party of Haitian Communists [PUCH] elieves that prerequisites exist for the popular movement to use its resources to build democratic institutions. A problem of a sort of dual power may arise in the future, on one side forces arising from the popular movement irrespective of any decision of the bourgeoisie and U.S. imperialism, and on the other side the social stratum linked with the present regime and experienced in running the state. "A similar situation arose in many revolutions. If this pattern comes true, and I think it will, it is necessary to see that dual power never holds out long, said Rene Theodore. [quotation mark as received]

The Haitian party leader recalled that committees, popular leaders and also political parties, including the Communists, have been influencing the masses for a long time. He said his party is represented in this struggle to a sufficient extent that the minimal program of economic and social reconstruction and a proposal for the political organization of the society it presented can be taken into consideration. The existence of the party and other underground organizations significantly contributed to the rise of the popular movement. Almost all sections of society recognize the Communists' role in the political experiences so far and also in the perspective of political and social democratization.

The PUCH is the only party which managed since 1957 to fight persistently against the tyranny and under extremely unfavourable conditions succeeded to keep its organization structure within the country. The party's history is both glorious and tragic, marked with murders of hundreds of Communists. Its struggle gave rise to sympathies and respect among the population. The party played an irreplaceable part and in the process of democratization will assume its place. However, the number one task at present is to defeat Duvalier, create a general feeling of hatred and refusal, said Rene Theodore.